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UNDP FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

BUDGET ESTIMATES FOR THE BIENNIUM 2002-2003

Report of the Administrator

Summary

The Administrator hereby submits his budget proposals and related estimates for the biennium 2002-2003, which reflect the vision for UNDP contained in the Business Plans, 2000-2003 (DP/2000/8) and form part of the integrated resource framework of the multi-year funding framework for 2000-2003 (DP/1999/30).

The shortfall in regular resources compared with targets has forced painful choices and reductions that go deeper than what is required to achieve a no-growth budget. The critical resource situation presents a threat to the ability of UNDP to maintain a strong global platform on behalf of the United Nations system and its capacity to assist the poorest countries. In order to deal with this major challenge, the Administrator is proposing a set of targeted priority measures aimed at sustaining and accelerating the performance and financial turnaround that is already under way in UNDP. This includes an emphasis on improved country office performance through additional investments in staff renewal and learning, knowledge management and networking, as well as simplification of business processes and better use of information and communications technology.

The Administrator is proposing a nominally reduced budget in net terms of $502.6 million for the biennium 2002-2003, which is $15.7 million less than the net budget approved by the Executive Board for the biennium 2000-2001. The proposals result in a decrease of the gross budget from $585.4 million for the biennium 2000-2001 to $568.9 million for the biennium 2002-2003. This incorporates total net volume reductions of $43.1 million and net cost increases amounting to $24.6 million. The estimates also incorporate a more realistic projection of income that offsets the gross support budget, amounting to $64.3 million in 2002-2003 from $67.1 million in 2000-2001.

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Abbreviations

A	Administrator
AA	Associate Administrator/Assistant Administrator
ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
ASG	Assistant Secretary-General
BDP	Bureau for Development Policy
BFAS	Bureau for Financial and Administrative Services
BOM	Bureau of Management
BPRM	Bureau for Planning and Resources Management
BRSP	Bureau for Resources and Strategic Partnerships
CCD	Convention to Combat Desertification and Drought
CIS	Commonwealth of Independent States
COA	Communications Office of the Administrator
COMP	Country Office Management Plan
DAC	Development Assistance Committee
DCAS	Development Cooperation Analysis System
DSS	Development Support Services
ERD	Emergency Response Division
FIMS	Financial Information Management System
GEF	Global Environment Facility
GLOC	Government contributions to local office costs
HDRO	Human Development Report Office
IAPSO	Inter-Agency Procurement Services Office
ICSC	International Civil Service Commission
ICT	Information and communication technology
IMIS	Integrated management information system
LDC	Least developed country
LEAD	Leadership Development Programme
LIC	Low-income country
MYFF	Multi-year funding framework

NGO	Non-governmental organization
NP	National Professional Officer
OAPR	Office of Audit and Performance Review
ODA	Official development assistance
ODAS	Organizational Development Advisory Service
ODCCP	United Nations Office of Drug Control and Crime Prevention
ODS	Office of Development Studies
OECD	Organisation for Economic Co-operation and Development
OFA	Office of Finance and Administration
OHR	Office of Human Resources
OIST	Office of Information Systems and Technology
OLPS	Office of Legal and Procurement Support
OSG	Operations Support Group
PAPP	Programme of Assistance to the Palestinian People
RBA	Regional Bureau for Africa
RBAP	Regional Bureau for Asia and Pacific
RBAS	Regional Bureau for Arab States
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RBLAC	Regional Bureau for Latin America and the Caribbean
RBM	Results-based management
RC	Resident Coordinator
ROAR	Results-oriented annual report
SHD	Sustainable human development
SRF	Strategic results framework
SU/TCDC	Special Unit for Technical Cooperation among Developing Countries
SURF	Sub-regional resource facility
TOKTEN	Transfer of Knowledge through Expatriate Nationals
TRAC	Target for resource assignment from the core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group

UNDGO	United Nations Development Group Office
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
UNSO	Office to Combat Desertification and Drought (formerly United Nations Sudano-Sahelian Office)
UNV	United Nations Volunteers
USG	Under-Secretary-General

Organizational Chart
Bureau for Development Policy
Bureau of Management
ADMINISTRATOR
Associate Administrator
Emergency Response Division
Office of the Administrator
Operations Support Group
UNDP Latin America and the Caribbean
UNDP Europe and the Commonwealth of Independent States
UNDP Asia and the Pacific
UNDP Arab States
UNDP Africa
Country offices
Special Unit/ Technical Cooperation among Developing Countries
United Nations Volunteers
United Nations Development Fund for Women
United Nations Capital Development Fund
Office of the United Nations Development Group
Human Development Report Office
Evaluation Office
Office for Audit and Performance Review
Commission Liaison Office

Table 1. UNDP resource plan

(millions of United States dollars)

	2000-2001								2002-2003							
	Donor resources				Local resources				Donor resources				Local resources			
	Regular resources	Other resources (Donor co-financing)	Total donor resources		Other resources (Government cost-sharing)		Total resources		Regular resources	Other resources (Donor co-financing)	Total donor resources		Other resources (Government cost-sharing)		Total resources	
	$	$	$	%	$	%	$	%	$	$	$	%	$	%	$	%
Resources available																
Opening balance	31.9	316.1	348.0		515.7		863.7		64.0	243.9	307.9		761.6		1 069.5	
Income																
Contributions	1 700.0	1 220.9	2 920.9		2 002.8		4 923.7		1 700.0	1 329.5	3 029.5		1 863.6		4 893.1	
Other [a]	40.0	49.7	89.7		81.1		170.8		-	50.8	50.8		76.1		126.9	
Reimbursement for services	-	25.7	25.7				25.7		-	26.1	26.1				26.1	
Total	1 771.9	1 618.4	3 390.3		2 599.6		5 989.9		1 764.0	1 680.3	3 414.3		2 701.3		6 115.6	
Use of resources - Programme and support activities																
A. Programmes [b]	1 163.1	1 231.1	2 394.2	83.6	1 788.0	97.2	4 180.3	88.9	1 176.1	1 276.4	2 452.5	83.2	1 807.7	96.0	4 260.2	88.2
B. Programme support																
1. Country offices [c]	231.9	36.0	267.9	9.4	40.7	2.2	308.6	6.6	223.3	56.8	280.0	9.5	58.0	3.1	338.1	7.0
2. Headquarters	56.4	30.8	87.2	3.0	5.8	0.3	93.0	2.0	39.9	40.5	100.4	3.4	7.5	0.4	107.9	2.2
Total programme support	288.3	66.8	355.1	12.4	46.5	2.5	401.6	8.5	263.1	97.3	380.4	12.9	65.6	3.5	446.0	9.2
C. Management and administration	110.9	3.1	114.0	4.0	5.5	0.3	119.5	2.6	109.3	6.7	116.1	3.9	9.8	0.5	125.8	2.6
Total	1 562.3	1 301.0	2 863.3	100.0	1 838.0	100.0	4 701.3	100.0	1 568.6	1 380.4	2 949.0	100.0	1 882.8	100.0	4 831.8	100.0
Support to operational activities of the United Nations																
D. Programme support to resident coordinators	26.5	-	26.5		-		26.5		26.5	-	26.5		-		26.5	
E. UNV Special Voluntary Fund [d]	-	62.5	62.5		-		62.5		-	137.0	137.0		-		137.0	
F. Country offices [e]	85.7	-	85.7		-		85.7		81.8	0.3	82.1		-		82.1	
United Nations Development Group Office	2.6	0.3	2.9		-		2.9		2.7	-	2.7		-		2.7	
United Nations Volunteers	27.2	4.7	31.9		-		31.9		24.5	5.7	30.2		-		30.2	
Inter-Agency Procurement Services Office	3.6	6.0	9.6		-		9.6		1.1	10.0	11.2		-		11.2	
Subtotal	119.1	11.0	130.1		-		130.1		110.1	16.0	126.1		-		126.1	
Total	145.6	73.5	219.1		-		219.1		136.6	153.0	289.6		-		289.6	
TOTAL	1 707.9	1 374.5	3 082.4		1 838.0		4 920.4		1 705.2	1 533.4	3 238.6		1 882.8		5 121.4	
Closing balance	64.0	243.9	307.9		761.6		1 069.5		58.8	116.9	175.7		818.5		994.2	
Financial support budget																
Total net budget estimates [f]	518.2	80.9	599.2		52.0		651.2		502.6	120.1	622.6		75.1		697.7	
Estimated income and adjustments																
Reimbursement for services	-	25.7	25.7		-		25.7		-	26.1	26.1		-		26.1	
Income to the budget	67.2	-	67.2		-		67.2		64.3	-	64.3		-		64.3	
Subtotal	67.2	25.7	92.9		-		92.9		64.3	26.1	90.4		-		90.4	
TOTAL GROSS BUDGET ESTIMATES	585.4	106.6	692.0		52.0		744.0		566.9	146.2	713.1		75.1		788.2	

[a] Includes interest and miscellaneous income

[b] Includes administrative and operational support; for 2002-2003, also includes the Economist Programme and an allocation for substantive consultancies amounting to a total of $13 million, as described in paragraphs 27 and 28.

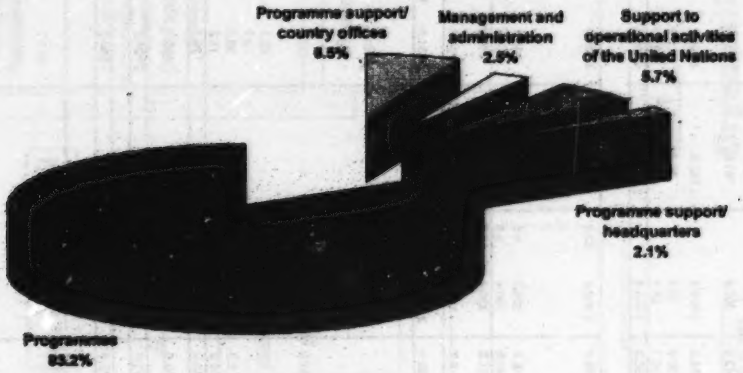
[c] The 2000-2001 approved amounts have been adjusted to reflect the new percentage distribution of 23 per cent for support to operational activities of the United Nations, as described in paragraph 93.

[d] Includes financial value of volunteer assignments that are charged directly to agencies and partners

[e] Includes items B, C, and F

Note: When amounts between different tables in the present document are cross-referenced, there may be differences of +/- 0.1 due to rounding.

Figure A. Use of total resources, 2002-2003


Programme support/ country offices 8.5%
Management and administration 2.5%
Support to operational activities of the United Nations 5.7%
Programme support/ headquarters 2.1%
Programmes 83.2%

I. EXECUTIVE SUMMARY

1. The present document contains the UNDP support budget estimates and related proposals of the Administrator for the biennium 2002-2003. The Administrator's Business Plans, 2000-2003 (DP/2000/8) and key policy decisions adopted by the Executive Board such as those on the first results-oriented annual report (ROAR) (2000/15), on special development situations (2001/1) and on the second global cooperation framework (2001/7) offer strong guidance and inspiration for the proposed budget.

2. In line with Executive Board decision 98/23, the support budget forms an integral part of the multi-year funding framework (MYFF). It is presented in accordance with the format and methodology adopted by the Board for the harmonization of budget presentations. The 2002-2003 support budget estimates for the funds administered by UNDP are also presented as separate entities in chapter III.

A. Financial framework

3. Regular resources form the bedrock for the multilateral, universal character of UNDP. The erosion in regular resources over past years has severely impaired the ability of the organization to produce the development outcomes envisioned in the country cooperation frameworks (CCFs) and in the strategic results framework (SRF) of the MYFF. This has had a particularly adverse impact on the struggle of low-income countries against poverty. The consequences of the funding shortfall goes beyond UNDP, as it also threatens the ability of the organization to sustain a strong global platform and country presence on behalf of the United Nations system and the international community at large.

4. The 2002-2003 support budget constitutes the second half of the four-year MYFF planning period 2000-2003. The regular resource base for the years 2002 and 2003 were originally projected in documents DP/1999/30 and DP/1999/31 to amount to $1.0 and $1.1 billion respectively. Based on the levels of voluntary contributions to regular resources in 1999 and 2000, the achievement of these projections for 2002 and 2003 now appear unrealistic. Instead, the earlier projections for

2000 and 2001, amounting to $800 and $900 million respectively, will become the revised income projections for the biennium 2002-2003, amounting to a regular resource base of $1.7 billion for the biennium. This then reflects a two-year delay in achieving the voluntary-contribution targets. Based on recent increases by the majority of donors, the level of voluntary contributions is expected to increase in 2001, after annual declines over eight consecutive years. This turnaround needs to be sustained to place the organization on a more sound financial footing.

5. In its decisions 98/2 and 98/23, the Executive Board specifically recognized the role of other sources of financing as a mechanism to enhance the capacity and supplement the financial means of the organization. Consequently, the MYFF has established targets for both regular resources and for other resources. Similarly, the annual reporting through the ROAR covers results generated through the deployment of all available resources. As highlighted at the Ministerial Meeting in September 2000 and at the third regular session 2000 of the Board, new approaches are, however, needed to mobilize other resources to meet additional priority development needs and opportunities and to ensure better alignment and synergies between these resource flows. Such approaches include the establishment of new thematic trust funds with special emphasis on Africa and low-income countries.

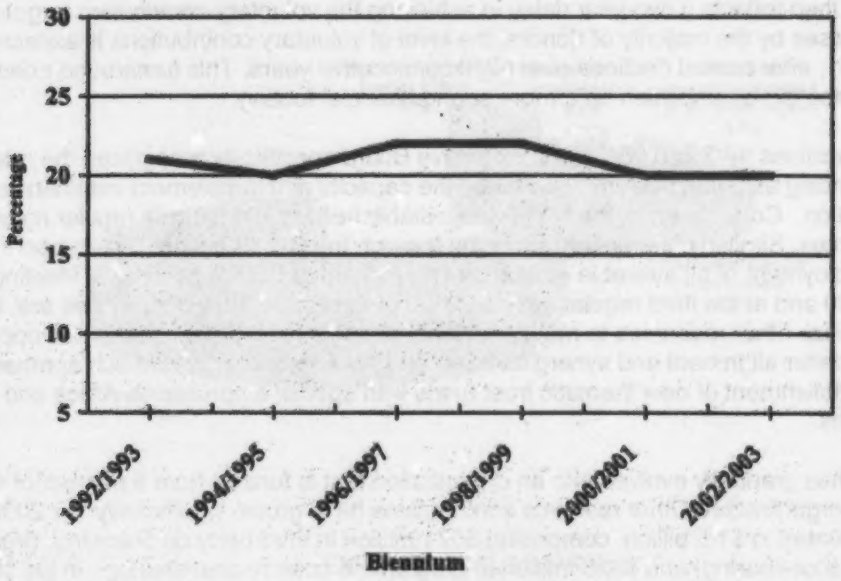
6. UNDP has gradually evolved into an organization that is funded from a number of sources - a multi-funded organization. Other resource contributions have grown significantly: for 2000, other resources amounted to $1.5 billion, comprising $571 million in third party co-financing (trust funds and third-party cost-sharing) and $933 million in programme country cost-sharing. In his statement to the Executive Board at its third regular session 2000, the Administrator noted that current official development assistance (ODA) trends called for a more realistic presentation of different types of resources and that he would address this in the context of the 2002-2003 support budget.

7. Third-party co-financing of other resources, like regular resources, is deployed internationally for development priorities outside the country of the contributor while programme-country cost-sharing finances projects in the home country of the contributor. Another distinct feature of the former category is that it has now a broad participation among all OECD/DAC donors. An appropriate presentation, therefore, is to reflect regular resources and the category of other resources relating to third-party contributors as a distinct donor category of funding separate from local resources provided by programme countries themselves. The sum of donor and local resources hence constitutes the total resources of UNDP.

8. As a percentage of the total donor resource base, the support budget shows only slight variation over the years with an expected downward trend from 22 per cent in 1998-1999 to an anticipated level of 20 per cent in 2002-2003 (see figure B). UNDP has been able to maintain this consistently low percentage relationship by intensive downsizing through total real-volume reductions in the regular support budget amounting to $159.9 million since 1992. While productivity improvements and decentralization have contributed significantly to the ability of the organization to reduce budgetary outlays, it is evident that the challenge of delivering a nominally reduced budget over this period has severely tested the organization and reduced its capacities.

9. Based, therefore, on a total donor resource base of $3.4 billion and a local resource base of $2.7 billion, the total projected use of resources for the period 2002-2003 relating to UNDP programme and support activities covering both regular and other resources is estimated at $5.1 billion. As shown in figure A, of this amount, 83.2 per cent relates to programmes; 6.5 per cent to programme support - country offices; 2.1 per cent to programme support - headquarters; 2.5 per cent to management and administration; and 5.7 per cent to support to the operational activities of the United Nations.

Figure B. Support budget to total donor resources 1992-1993 to 2002-2003



10. The overall resource plan for 2002-2003, noted by the Executive Board in its decision 99/23 and within which the proposals for the biennial support budget are made is presented in table 1. The 2000-2001 resource plan, previously submitted to the Executive Board in document DP/1999/31, is provided for comparative purposes. The resource plan covers both regular and other resources. Regular resources cover voluntary contributions that are co-mingled and untied, related interest earnings and miscellaneous income. Other resources relate to resources mobilized for specific programme purposes within UNDP focus areas and for reimbursements received to cover the cost of services provided by UNDP. As indicated in paragraph 7, the resource plan includes a subtotal of donor resources comprising regular resources and the third-party co-financing category of other resources while the programme-country cost-sharing category of other resources is shown separately as local resources. The resource plan has three sections covering donor and local resources:

(a) Resources available. For the period 2002-2003, donor resources are projected at $3.4 billion, comprising $1.7 billion in projected voluntary-contribution levels to regular resources, $1.3 billion in the third-party co-financing category of other resources and the remaining $0.4 billion relating to other income, reimbursement for services and the opening balance. Local resources are projected at $2.7 billion, comprising $1.9 billion in programme-country cost-sharing, with the remaining $0.8 billion relating to other income and the opening balance;

(b) Use of resources. For the period 2002-2003, estimates relating to programme and support activities amount to $4.3 billion and $0.6 billion respectively; those relating to UNDP support to the operational activities of the United Nations amount to $0.3 billion. A breakdown of the use of total donor and local resources is provided. A further breakdown of the use of resources for programmes and programme support by region is provided in table 6;

(c) Biennial support budget. This section reconciles the overall resource plan to the biennial support budget, covering both the total net and gross budget estimates that have been presented to the Executive Board.

11. In conclusion, while UNDP has become a multi-funded organization, regular resources provide the funding base for the UNDP country presence and the country-driven programme focus. Regular resources are the life blood of UNDP, which other resources can supplement but not replace. It is therefore crucial to place UNDP on a stable financial footing as regards both regular and other resources.

B. Objectives and strategy

12. The 2002-2003 support budget has been prepared with the objective of aligning resources with the goals and priorities of the Business Plans, 2000-2003, with specific strategies for country offices and for headquarters. Given the current tight regular-resource situation of UNDP, a nominally reduced budget is essential for the biennium 2002-2003; this has meant cutting capacity so that increases due to inflation and other costs can be absorbed, and making further cuts to release resources for priority investments. The challenge of creating a dynamic and responsive organization, one that serves programme country needs of today and tomorrow with distinction, simply cannot be met by across-the-board cuts. Instead, it requires a highly strategic approach to implement painful additional reductions where possible and to reinvest some of these hard-earned savings where they make the most difference. A complementary approach of this budget round is to increase the income from other resources earned as overhead from cost-sharing and trust-fund programmes as well as cost-recovery from services and to deploy these resources strategically.

1. A budget driven by the Business Plans

13. The Business Plans, 2000-2003, set out a clear vision for a renewed UNDP that responds effectively to the changing needs of programme countries and to the Secretary-General's development reform agenda. UNDP is committed to providing programme countries with policy options and capacity-building support through knowledge-based advisory services and other development services. At the same time, UNDP will enhance the effectiveness of United Nations development cooperation activities at the country level through its management of the resident coordinator system. Furthermore, building on the trust UNDP enjoys from programme countries, the organization is also well positioned to assist in mobilizing and coordinating both public and private sector resources for country-specific development priorities.

14. The main challenge of the budgetary process is to ensure that UNDP has the substantive expertise and the internal capacity in place to carry out these roles effectively with measurably improved overall performance while at the same time ensuring a nominally reduced budget.

15. The shift to a results-based management approach is a key component of the Business Plans and the efforts to introduce a strong culture of performance and accountability in the organization. On the development side, this is seen in the MYFF process and the annual results-oriented reports that have generated a wealth of evidence as a base for strategic decision-making. Analysis of this material has, for example, been central to defining the new structure and focus for the Bureau of Development Policy. On the resource management side, the creation of the Bureau of Management has ensured better alignment of resources to management plans for greater organizational effectiveness and efficiency.

16. Achieving the results envisioned in the SRF/ROAR requires the combination of a range of services that draw upon capacities provided through both the support budget and programme

resources. Indeed, one of the many benefits of the SRF/ROAR has been the demonstration of office capacities that contribute substantively and operationally to development results. This in turn calls for a re-thinking of how total UNDP resources are perceived and distributed between programme and support budgets. A first step in this direction is taken through these proposals. The next step will be in the context of the review by the Executive Board of the successor programming arrangements at its annual session 2002.

17. People will be key to the transformation process. Staff profiles have to be aligned with evolving organizational needs and human resource management must be able to attract, develop and retain talent. At this time of change, improved empowerment of staff for personal development and performance is also a requirement. In support of these objectives, the support budget will emphasize learning, with increased resources for enhancing and changing skill profiles, and provide resources for the recruitment of entry-level staff to bring younger professionals into the organization. At the same time, a mix of regular attrition and early separations will continue to ensure that the organization has the flexibility to adjust its staffing profile in response to changing needs.

18. The effectiveness of the UNDP corporate business systems and a strong platform for knowledge management will be crucial. The organization's ICT strategy will focus on business process re-engineering both at the country level and at headquarters, with web-enabled and integrated software applications linking all UNDP offices worldwide, and a knowledge-management platform that will support UNDP in responding to the needs of programme countries.

19. In the implementation of the 2000-2001 support budget, the Administrator has been able to exercise fiscal prudence by aggressively cutting costs wherever possible. This includes the abolition already during 2001 of approximately 200 posts funded from regular resources, and advance decisions and preparations for abolishing the remaining 500 posts required for overall reductions by 706 posts targeted in the 2002-2003 budget. Some of the savings realized have been deployed for priorities in the Business Plans such as staff renewal and learning, additional policy advice and ICT connectivity of country offices over and above what had originally been budgeted for. Any remaining savings will revert to programme activities upon completion of the biennium.

2. The strategy for country offices

20. In his statement to the Ministerial Meeting in September 2000, the Secretary-General noted that UNDP is at the heart of the United Nations system at the country level. The country-office network ensures that the development services UNDP provides remain country-driven and responsive to the real needs of programme countries. As manager and funder of the resident coordinator system, UNDP plays a critical role in leading the United Nations team at the country level towards more coherent and effective development efforts, including the promotion of the Millennium Declaration and the monitoring of the international development targets. The development presence of UNDP at the country level is seen as an essential complement to the work of the United Nations in peace, security and humanitarian affairs.

21. While the universal character of the organization needs to be preserved, the costs relating to universality must be contained. As such, regular resources fund the core capacity of a country office, with the greater share of regular resources concentrated in low-income countries. Given the evolving nature of UNDP funding, other resources will play an increasing role in contributing to the cost of country offices. In addition, alternative approaches to sustaining the UNDP presence will be explored in 2002-2003 with a view to reducing costs. This being said, UNDP continues to prevail upon host country Governments to meet their obligations towards the local costs of country offices.

22. A top corporate priority for 2001 and beyond has been the transformation of UNDP country offices to reflect the vision and goals of the Business Plans. This transformation is being built around practice areas and demands determined by the SRF/ROAR exercise. Combining a culture of results and performance with a focus on services to programme countries in these practice areas will have significant implications for the way headquarters supports the field as well as for change in country offices themselves.

23. The strategy for implementing this transformation at the country level involves:

(a) Development of a business model with strengthened capacities in the main functions of the management of the resident coordinator system, knowledge advisory services and development services. This will also include operational services as a cross-cutting function that supports the three main substantive functions, while focusing on service quality, productivity and recovery of costs for services provided;

(b) Reduction in the regular support budget by 15 per cent to cover required reductions and to contribute to priority area investments;

(c) Re-allocation of budget resources to strategic priority areas which will improve performance at the country level, such as business process re-engineering, information technology, staff learning, entry-level posts, substantive policy support, and staff needs relating to security and HIV/AIDS issues; and,

(d) Building a new culture of leadership and partnership in country offices by ensuring that the selection and turnover of staff, in particular resident coordinators/resident representatives, is geared to the needs of programme countries, including those in crisis and post-conflict situations.

24. The objective is to use programme and support budget resources in a unified way to contribute to the outcomes set out in the SRF. Country-office substantive capacities complement similar capacities funded under programme resources and form part of the combined set of services provided in response to requests from programme countries. Similarly, development and operational services provided by the country offices directly support the delivery of the programme.

3. The strategy for headquarters

25. In the Business Plans, the Administrator committed the organization to a 25 per cent reduction in the number of staff at headquarters, with many of the functions relocated to country offices. This involved rationalizing functions of all headquarters units in New York and continuing to decentralize functions where possible. The current budget strategy will contribute to meeting these transformational goals. In response to the emphasis placed on applied policy and knowledge-networking, substantive policy support functions and related staff are being relocated to the field level, partly through the establishment of the sub-regional resource facility (SURF) system. Together with the resources of the global cooperation framework, the regular budget will be used to support this decentralization process. Re-engineering of headquarters services will continue through further simplification and decentralization of processes and functions with the objective of increasing quality as well as cost-effectiveness.

Table 2. Summary of main areas of increases/decreases
(in thousands of United States Dollars)

		Volume	Cost	Total
I.	2000-2001 NET APPROPRIATION ESTIMATES	-	-	518 244.6
II.	INCREASES			
A.	Country offices			
	(i) Strategic investments			
	Learning and training	2 628.1	-	2 628.1
	LEAD programme	3 108.3		3 108.3
	Re-engineering and information systems	9 000.0	-	9 000.0
	Special needs relating to HIV/AIDS	1 000.0		1 000.0
	Subtotal	15 736.4	-	15 736.4
	(ii) Mandatory cost and institutional support increase			
	Inflation adjustment	-	33 892.7	33 892.7
	Strengthening of institutional support	5 960.7	-	5 960.7
	Security	4 400.0	-	4 400.0
	TCDC - partial redeployment to country offices	689.0	-	689.0
	Subtotal	11 049.7	33 892.7	44 942.4
	Country office total increase	26 786.1	33 892.7	60 678.8
B.	Headquarters			
	Inflation adjustment	-	8 055.0	8 055.0
	Post cost adjustments	-	3 412.2	3 412.2
	Learning and training	206.0	-	206.0
	Reimbursement to the United Nations	500.0	-	500.0
	Headquarters total increase	706.0	11 467.2	12 173.2
	TOTAL INCREASES	27 491.1	45 359.9	72 851.0
III.	DECREASES			
A.	Country offices			
	Currency adjustments	-	(14 446.2)	(14 446.2)
	International post cost adjustments (net)	-	(3 909.4)	(3 909.4)
	Reduction of international posts (net)	(5 651.7)	-	(5 651.7)
	Reduction of operating costs and local posts (net)	(44 630.7)	-	(44 630.7)
	Country office total decrease	(50 282.4)	(18 445.6)	(68 728.0)
B.	Headquarters			
	Currency adjustments for outposted units	-	(2 292.3)	(2 292.3)
	Reduction of posts (net)	(6 549.6)	-	(6 549.6)
	Reduction of operating expenses (net)	(2 952.4)	-	(2 952.4)
	UNV	(787.2)	0.2	(787.0)
	IAPSO	(2 085.7)	-	(2 085.7)
	Headquarters total decrease	(12 334.9)	(2 292.1)	(14 627.0)
	TOTAL DECREASES	(62 617.3)	(20 737.7)	(83 355.0)
IV.	NET ADJUSTMENTS	(35 126.2)	24 622.2	(10 504.0)
V.	OTHER ADJUSTMENTS - MOVEMENT OF ECONOMISTS TO PROGRAMME	(7 977.7)	-	(7 977.7)
	Subtotal	(43 103.9)	24 622.2	(18 481.7)
VI.	NET CHANGE IN ESTIMATED INCOME			
	Increase in support costs to UNV	(2 200.0)	-	(2 200.0)
	Increase in taxes	(1 000.0)		(1 000.0)
	Decrease in government contributions to local office costs	6 000.0	-	6 000.0
	Subtotal	2 800.0	-	2 800.0
VII.	2002-2003 NET APPROPRIATION ESTIMATES	(40 303.9)	24 622.2	502 562.9

C. Summary of proposals

26. The proposals presented result in a nominally reduced budget in both gross and net terms. Table 2 presents a summary of the main areas of increases and decreases. The net volume reductions for country offices and headquarters (including UNV and IAPSO) amount to $31.5 million and $11.6 respectively. Total cost adjustments relating to inflation adjustments amount to an increase of $42.0 million, currency adjustments amounting to a decrease of $16.7 million and post cost adjustments amounting to a decrease of $0.7 million.

27. The volume reductions incorporate re-prioritization of resources for purposes that will be crucial for the new UNDP. In this connection, $15.7 million is proposed for special initiatives at the country level, encompassing learning, entry-level positions, business re-engineering and information technology, etc. In addition, to strengthen the knowledge advisory role of country offices, it is proposed that reductions amounting to $5.0 million in posts be re-prioritized for short-term substantive capacities. In accordance with the development support services (DSS) allocation originally established under the support budget, which was subsequently transferred to the programme (document DP/1999/31 refers), it is proposed that this allocation be also reflected against this programme category. Furthermore, institutional strengthening amounting to $10.3 million is proposed for matters relating to the security of staff, competency assessments and for results-based management activities.

28. The proposals also incorporate an adjustment covering the shift of the posts in the Economist Programme, amounting to $8.0 million, from the support budget to the programme. This is in line with the rethinking of how total UNDP resources are classified between programme and the support budget, thereby capturing accurately the character and value of the activities supported.

29. The net reduction of estimated income is $2.8 million, which is comprised of the following:

(a) The ongoing strategy to reflect a more realistic assumption for income relating to government contributions to local office costs (GLOC), thereby reducing such estimated income by $6.0 million, resulting in a revised GLOC estimate of $48.0 million for 2002-2003;

(b) An increase of $2.2 million in income relating to the reimbursement that UNV derives from United Nations organizations, resulting in a revised income estimate of $4.2 million for 2002-2003;

(c) An increase of $1.0 million in the estimate relating to refunds to staff members for income taxes levied by Member States in respect of income derived from the organization, resulting in a revised income estimated at $12 million for 2002-2003.

30. As presented in table 3, the gross budget estimates for 2002-2003 amount to $566.9 million, which is $18.5 million less than the approved 2000-2001 gross budget estimates, reflecting a decrease in nominal terms. The 2002-2003 net budget estimates amount to $502.6 million, which is $15.7 million less than the approved 2000-2001 net budget estimates, reflecting a nominally decreased budget in net terms. Total net volume reductions amount to $43.1 million while total net cost increases amount to $24.6 million.

31. Figure C shows the gross budget estimates by appropriation line for 2002-2003. Regular activities constitute 79.8 per cent of the total budget, with the remaining 20.2 per cent relating to support to the operational activities of the United Nations, including UNV and IAPSO. By location, the share of resources allocated to country offices is 65.4 per cent with the remaining 34.6 per cent relating to headquarters, including UNV and IAPSO. When the Economist Programme and the

allocation for substantive consultancies that will be under the programme are also taken into account, the share of resources for country offices increases to 66.1 per cent while headquarters decreases to 33.9 per cent.

Table 3. Gross budget estimates by appropriation line and by location

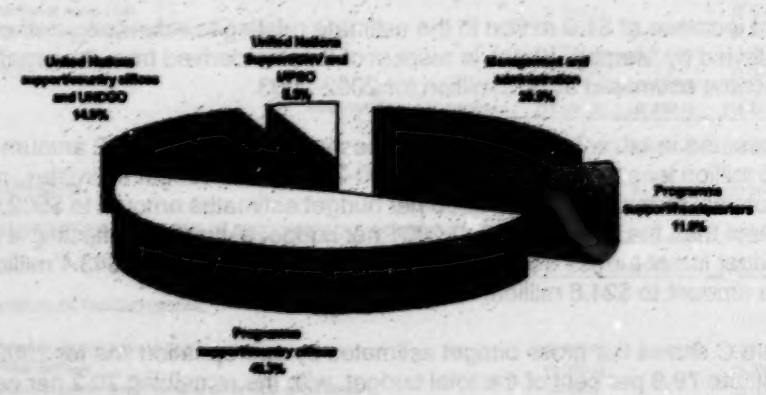
(thousands of United States dollars)

	2000-2001		Changes				2002-2003	
	Approved appropriations	% of Total	Volume Incr/(Decr.)	Volume %	Cost Incr/(Decr.)	Cost %	Proposed estimates	% of Total
By appropriation line								
Programme support								
Country offices [a]	257 264.8	49.1%	(24 245.0)	(9.4)	10 791.4	3.7	273 781.1	46.3%
Headquarters	59 894.5	10.2%	(2 034.5)	(3.4)	4 698.1	7.9	62 358.0	11.0%
Management and administration [b]	117 193.8	20.0%	(5 791.5)	(5.0)	6 015.8	5.1	118 457.7	20.8%
Support to operational activities of the United Nations								
Country offices [a]	85 808.4	14.7%	(7 242.0)	(8.4)	3 214.4	3.7	81 778.8	14.4%
UNDGO	2 583.1	0.4%	2.1	0.1	115.7	4.5	2 700.9	0.5%
IAPSO	3 601.1	0.6%	(2 066.7)	(57.4)	(422.8)	(11.7)	1 112.7	0.2%
UNV	29 226.2	5.0%	(797.2)	(2.6)	241.5	0.8	28 702.4	5.1%
TOTAL	585 371.8	100.0%	(43 103.9)	(7.4)	24 822.0	4.2	566 889.7	100.0%
By location								
Country offices	388 616.0	66.0%	(31 473.5)	(8.1)	15 447.1	4.0	370 589.3	65.4%
Headquarters	155 928.3	26.3%	(8 797.2)	(5.3)	9 358.0	5.8	166 485.3	29.4%
IAPSO	3 601.1	0.6%	(2 066.7)	(57.4)	(422.8)	(11.7)	1 112.7	0.2%
UNV	29 226.2	5.0%	(797.2)	(2.6)	241.5	0.8	28 702.4	5.1%
TOTAL	585 371.8	100.0%	(43 103.9)	(7.4)	24 822.0	4.2	566 889.7	100.0%
Income	67 127.0		(2 800.0)	(4.2)			64 327.0	
Net budget estimates	518 244.8						502 562.7	

[a] The 2000-2001 approved amounts have been adjusted to reflect the new percentage distribution of 23 per cent for support to operational activities of the United Nations, as described in paragraph 93.

[b] Includes both headquarters and country offices components.

Figure C. Gross budget estimates by appropriation line, 2002-2003


United Nations support/country offices and UNDGO 14.9%
United Nations Support/UNV and IAPSO 5.5%
Management and administration 20.8%
Programme support/headquarters 11.0%
Programme support/country offices 48.3%

32. The total number of posts under the regular support budget at headquarters and country offices decrease from 4028 to 3322, as shown in table 4. Posts at the country level constitute 81.7 per cent of the total posts, with headquarters, including UNV and IAPSO, covering the remaining 18.3 per cent. Programme support represents 86.2 per cent of total posts, of which 81.1 per cent are located at the country level and 5.1 per cent at headquarters. Posts under management and administration represent 7.6 per cent of total posts. Figures D and E show posts financed from regular resources, by appropriation line and by category of posts.

Table 4. Regular resource posts by category, appropriation line and location

	2000-2001 Approved posts					Changes				2002-2003 Proposed posts				
					% of	Increase/(Decrease								% of
	IP	NP	GS/Oth.	Total	Total	IP	NP	GS/Oth.	Total	IP	NP	GS/Oth.	Total	Total
Support to core activities														
Programme support														
Country offices	382	539	2440	3361	83.4	(27)	(73)	(567)	(667)	355	466	1873	2694	81.1
Headquarters [b]	88		91	179	4.4	(3)	-	(8)	(11)	85		83	168	5.1
Management and administration [a] [b]	99	7	171	277	6.9	5	-	(28)	(23)	104	7	143	254	7.6
Support to operational activities of the United Nations														
Country offices [c]														
UNDGO	4		6	10	0.2	-	-	-	-	4		6	10	0.3
IAPSO	3		4	7	0.2	(2)	-	(3)	(5)	1		1	2	0.1
UNV	27	60	107	194	4.8	-	-	-	-	27	60	107	194	5.8
TOTAL	603	606	2819	4028	100.0	(27)	(73)	(606)	(706)	576	533	2213	3322	100.0
Country offices	390	548	2445	3381	83.9	(27)	(73)	(567)	(667)	363	473	1878	2714	81.7
Headquarters	183		263	446	11.1	2	-	(36)	(34)	185		227	412	12.4
IAPSO	3	-	4	7	0.2	(2)	-	(3)	(5)	1	-	1	2	0.1
UNV	27	60	107	194	4.8	-	-	-	-	27	60	107	194	5.8
TOTAL	603	608	2819	4028	100.0	(27)	(73)	(606)	(706)	576	533	2213	3322	100.0

[a] As a result of restructuring, a net of 1 IP and 3 GS posts were redeployed from Management and Administration to Programme support headquarters

[b] Includes both headquarters and country offices components

[c] All staff resources assigned to country offices are shown under Programme support - Country offices alone and are not split between Programme support - Country offices and Support to the operational activities of the United Nations - country offices.

Figure D. Regular resources posts by appropriation line, 2002-2003

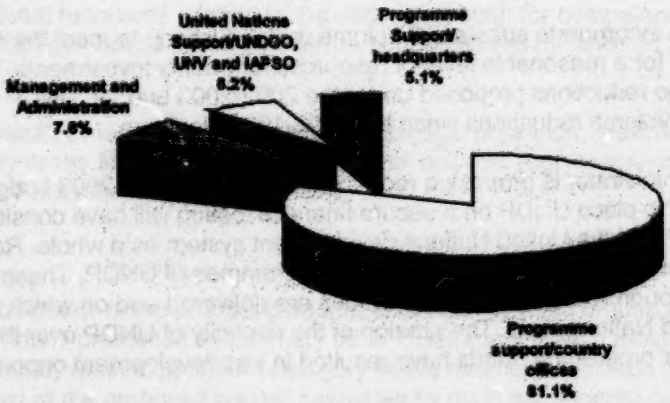
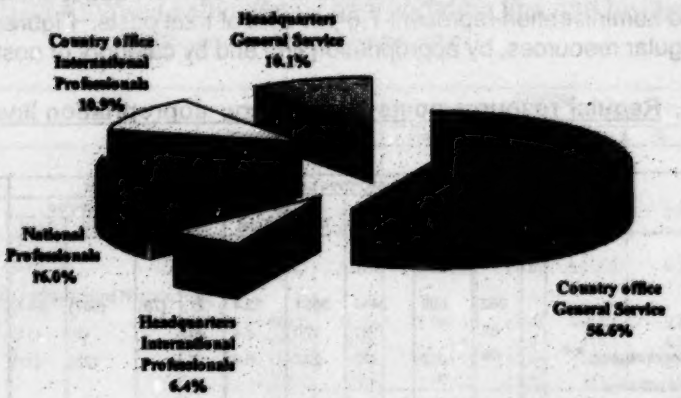

United Nations Support/UNDGO, UNV and IAPSO 6.2%
Programme Support/ headquarters 5.1%
Management and Administration 7.6%
Programme support/country offices 81.1%

Figure E. Regular resources posts by category, 2002-2003


Country office International Professionals 10.9%
Headquarters General Service 16.1%
National Professionals 16.0%
Headquarters International Professionals 6.4%
Country office General Service 50.6%

II. PROPOSALS FOR THE 2002-2003 BIENNIAL SUPPORT BUDGET - UNDP

A. Introduction

33. The proposals have been formulated with the view to aligning support budget resources with the Administrator's Business Plans, 2000-2003. Integral to the proposals are the challenges for the organization in equipping itself to respond to the needs of programme countries. This encompasses, among other things, the re-profiling of country offices and headquarters units to attune them to the new vision for UNDP, getting the staff profiles right, retraining current staff, new recruitment, improved tools, including those for information and communications technology, etc. All this must be achieved against a tight resource base. The need for UNDP to deliver, demonstrate and communicate results more clearly and effectively will be crucial, both as it relates to the programme and the support budget. Activity-based costing and budgeting play an will incremental role in this regard.

34. The proposals incorporate substantial volume real reductions to meet the nominally reduced budget and to provide for a reasonable level of resources for priority investments. Taking into account the net volume reductions proposed under the 2002-2003 budget, UNDP will have effected $159.9 million in total volume reductions since the 1992-1993 biennium.

35. While the Administrator is proposing reductions under the 2002-2003 budget, he remains concerned that failure to place UNDP on a secure financial footing will have considerable implications for UNDP and the United Nations development system as a whole. Regular resources are the heart of the country-specific, country-owned programmes of UNDP. These resources pay for the basic structure through which UNDP programmes are delivered and on which the worldwide presence of the United Nations rests. The erosion of the capacity of UNDP over the years as well as the shortage of regular programme funds have resulted in lost development opportunities.

36. Implementations of various reform measures have been and continue to be instituted both at headquarters and in the field. At headquarters, operations have been further streamlined in 2000 through a comprehensive review of all headquarters functions to ensure that headquarters

concentrate on the key corporate functions and identify better ways to support the field. New terms of reference and personnel limits for each headquarters unit have been established. Overall total headquarters staff is being reduced by 25 per cent by the end of 2001 through a combination of 11 per cent in actual cuts and 14 per cent of functions relocated to the field. The majority of this overall headquarters reduction is funded either from other resources or programme resources. With headquarters having borne the larger share of budget reductions over the last five bienniums, most units are already stretched in terms of capacity funded from regular resources, with many units barely having a critical mass. Between 1992-1993 and 2000-2001, posts funded from regular resources at headquarters have been reduced by 31 per cent while those in country offices have been reduced by 9 per cent.

37. At the field level, the shifting emphasis of UNDP towards knowledge-based advisory services will demand a stronger, redefined and reconfigured country presence. In this context, the Administrator convened the Options Group in mid-2000; it was comprised principally of senior country-office managers charged with identifying ways of configuring country offices to provide a strong platform for the new UNDP at the country level while fully recognizing the changing funding environment and the need to reduce core costs. The Options Group provided specific recommendations for: placing UNDP firmly at the heart of the United Nations country presence; strengthening the resident coordinator functions; strengthening UNDP knowledge-based advisory and programme services; strengthening operational support services; and strengthening the UNDP resource base and management processes.

38. Investments for specific priority areas will be absolutely crucial for the new UNDP. These areas encompass: learning, entry-level positions, business process re-engineering and information technology, and the special needs of country offices relating to HIV/AIDS. In this connection, $15.7 million realized from the real reductions is allocated for these special initiatives. The need to align staff profiles with evolving organization requirements will be imperative and will require the ongoing need to develop the skills of existing staff. At the same time, an infusion of young professionals is desirable for another dimension of the skills mix. The special needs of country offices in respect of the HIV/AIDS epidemic such as preventive measures and extended leave for those affected will need to be supported. Finally, business process re-engineering and the maximum utilization of information systems and communication technology will be of paramount importance for UNDP, an organization with a network of over 130 offices worldwide.

39. Furthermore, certain institutional-strengthening amounting to $10.3 million is also proposed. This includes additional resources relating to the security of staff, for competency assessments and for results-based management activities that will be supplemented by targeted other resource contributions.

40. The Administrator maintains his commitment to fiscal prudence, maximizing available resources for priority areas and utilizing every additional dollar of regular resource contributions for substantive work and not administrative overhead.

B. General

41. A financial overview of the proposed budget estimates by main organizational unit within each appropriation line is presented in summary table I. Summary table II provides a similar financial overview but by main expenditure category within each appropriation line. Figure F provides an overview of the proposed budget estimates by main expenditure category while figures G and H provide a further breakdown of the expenditure subcategories relating to posts and to general operating expenses. Summary tables IV (a) and IV (b) provide similar information pertaining to the use of other resources, which is presented for information purposes only. Finally,

summary table III provides a complete overview of the projected distribution of post resources by source of fund and main organizational entity.

42. As seen in summary table I, the total 2002-2003 gross appropriations are estimated at $566.9 million. Applying the estimated income to the gross appropriations, amounting to $64.3 million for the biennium, the total 2002-2003 net appropriation budget is projected at $502.6 million. The total net change in the gross appropriation from 2000-2001 amounts to a decrease of $18.5 million, which comprises the net result of volume decreases of $43.1 million and net cost increases of $24.6 million. Of the $18.5 million decrease, $8.0 million refers to the shift of the Economist posts to the programme budget.

Figure F. Expenditure by main expenditure category, 2002-2003

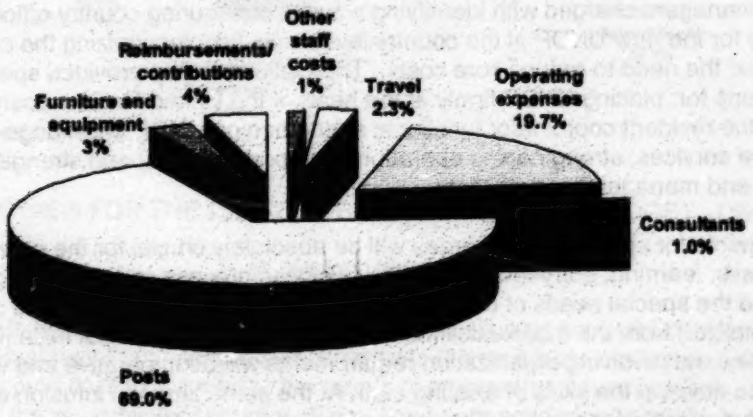


Figure G. Expenditure breakdown of posts, 2002-2003

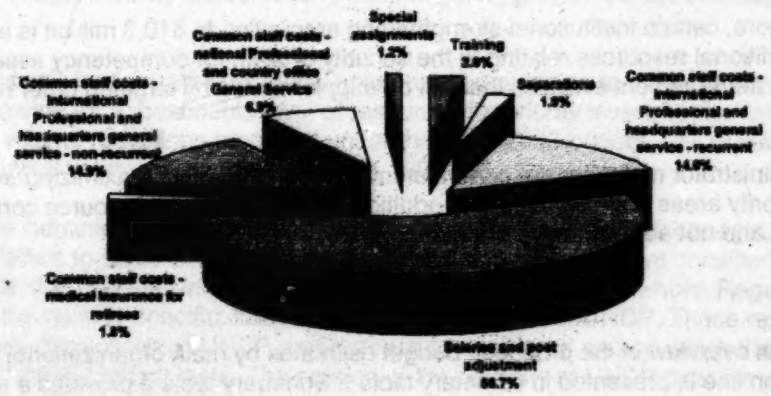
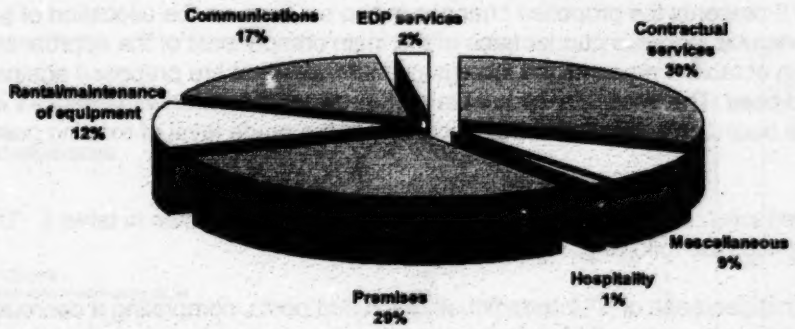

Special assignments 1.2%
Common staff costs - national Professional and country office General Service 6.9%
Training 2.9%
Separations 1.9%
Common staff costs - International Professional and headquarters general service - non-recurrent 14.9%
Common staff costs - International Professional and headquarters general service - recurrent 14.0%
Common staff costs - medical insurance for retirees 1.8%
Salaries and post adjustment 56.7%

Figure H. Expenditure breakdown of operating expenses, 2002-2003



43. A net volume decrease of $43.1 million reflected in summary table I is composed of the following main elements:

(a) Zero-sum redeployments between organizational lines to reflect better the management modality of specific resources. The relevant allocations are either unit specific or cut across units. For example, acquisition of personal computer equipment has been moved out of the Central line and distributed to all units as it is no longer centrally managed and security has been moved out of all units and is now reflected in its entirety under the Central line. This approach assists in the more effective deployment of specific resources based on needs;

(b) A volume reduction of $70.5 million in both headquarters and country offices;

(c) A volume increase of $11 million, reflecting strengthening of institutional support in areas such as security and competency assessment, including relocation of some TCDC functions to the country level;

(d) A volume increase of $15.7 million, reflecting priority area investments mainly in country offices, such as training and information systems; and

(e) A volume increase of $0.7 million relating to learning at headquarters and reimbursement to the United Nations for services.

44. The net cost increase of $24.6 million incorporates the following elements:

(a) The general strengthening of the United States dollar resulting in a downward adjustment of $16.7 million;
(b) Various cost adjustments amounting to a net decrease of $0.7 million as a result of:

(i) A net decrease of $6.8 million relating to revised post-costing;
(ii) An upward adjustment of $1.7 million to incorporate the financial impact of the proposed reclassifications; and
(iii) An upward adjustment of $4.4 million relating to the financial impact of expected within-grade salary increments;

(c) The full impact of inflation, estimated at $42.0 million or 3.9 per cent per year for the budget as a whole, reflects the combined effect of a 2.1 per cent annual inflation rate at headquarters and a 4.9 per cent annual inflation rate for the country office component of the budget.

45. The total number of posts by organizational unit and by grade level is presented in summary table III. Table 5 presents the proposed changes in two sections on the allocation of post resources financed from regular resources under each of the main components of the appropriation structure. The first section of table 5 presents the increases/decreases that are proposed against the 2000-2001 approved base. The second section of table 5 provides a summary of changes in the overall grade structure based on confirmed reclassifications of the grade level of existing posts and functions.

46. A net reduction of 706 in the total number of posts is also shown in table 5. This net reduction comprises the following:

(a) A net decrease of 37 internationally recruited posts, comprising a decrease of 47 posts and a corresponding increase of 10 entry-level posts;

(b) A decrease of 29 locally recruited posts at headquarters (which is an integral part of the 25 per cent reductions at headquarters covering all funding sources and contractual modalities, amounting to 296 personnel, comprising 125 eliminations and 171 relocations of positions to the field);

(c) A decrease of 640 local posts at the country level, comprising 73 national Professional and 567 General Service posts. It should be noted that the number of national Professional posts funded from other resources is expected to grow, resulting in a net increase; and

(d) The table also reflects a net reclassification of 10 local posts to the international Professional level.

C. Programe support

47. This section covers the Programme support component of the budget. It comprises (a) Programme support: country offices and (b) Programme support: headquarters. As shown in tables 3 and 4, this component covers 59.3 per cent and 86.2 per cent of total appropriations and post resources respectively. Of the 59.3 per cent of total appropriations, 48.3 per cent relates to country offices and 11 per cent relates to headquarters. Of the 86.2 per cent of total post resources, 81.1 per cent relates to country offices and 5.1 per cent relates to headquarters.

1. Country offices

48. This section covers the budget proposals relating to Programme support – country offices in the following areas: (a) refocused country presence; (b) centrally budgeted resources; and (c) contributions by host governments towards local office costs.

49. The audit and performance review function located at the regional level is covered under the management and administration component of the budget. Table 6 presents an overview by region of the use of resources for programme and programme support.

Table 5. Proposed changes: Regular resource post requirements, 2002-2003

Organizational unit	2000-2001	International Professional category and above											2002-2003
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total	
2000-2001 APPROVED POSTS	4028	9	53	136	199	152	45	7	603	606	2819	4028	
2002/2003 VOLUME													
A. Programme support													
1. Country offices													
Africa	1366					(2)	3		1	(46)	(280)	(325)	1041
Arab States	301						2		2	(4)	(55)	(57)	244
Asia and the Pacific	766			(1)	(1)	(3)	3		(2)	(30)	(157)	(189)	579
Latin America and the Caribbean	379						2		2	(9)	(71)	(78)	301
Europe and the Commonwealth of Independent States	413						2		2	(7)	(57)	(62)	351
Country offices - Central	134			(6)	(21)	1	(6)		(32)	23	53	44	178
Total (net)	3381	-	-	(7)	(22)	(4)	6	-	(27)	(73)	(567)	(667)	2694
2. Headquarters													
Operations Support Group [a]	10					(1)			(1)			(1)	9
Emergency Response Division	6								-			-	6
Regional Bureau for Africa	39					(1)			(1)		(1)	(2)	37
Regional Bureau for Arab States	15								-		(2)	(2)	13
Regional Bureau for Asia and the Pacific	24								-		(1)	(1)	23
Regional Bureau for Latin America and the Caribbean	14				(1)				(1)			(1)	13
Regional Bureau for Europe and the Commonwealth of Independent States	16								-			-	16
Bureau for Development Policy [a]	41								-		(1)	(1)	40
Special Unit for TCDC	14					(2)			(2)		(1)	(3)	11
Total (net)	179	-	-	-	(1)	(4)	-	-	(5)	-	(6)	(11)	168
Total programme suppot	3540	-	-	(7)	(23)	(8)	6	-	(32)	(73)	(573)	(678)	2862
B. Management and Administration													
Office of the Administrator/Associate Administrator	13								-		(1)	(1)	12
Evaluation Office	8				(1)				(1)			(1)	7
Office of Audit and Performance Review - Headquarters [a]	10								-			-	10
Office of Audit and Performance Review - Country offices	17								-			-	17
Communications Office of the Administrator	20								-			-	20
Bureau for Resources and Strategic Partnerships [a]	41				1	(1)			-			-	41
BOM/Directorate, Corporate Planning, Budget, Resource Planning and Legal [a]	42			(1)					(1)		(5)	(6)	36
BOM/Office of Human Resources	35								-		(3)	(3)	32
BOM/Office of Finance and Administration	61					(1)			(1)		(11)	(12)	49
BOM/Office of Information Systems and Technology	27								-			-	27
Country offices - Central	3								-			-	3
Total (net)	277	-	-	(1)	-	(2)	-	-	(3)	-	(20)	(23)	254
C. Support to operational activities of the United Nations													
Country offices	see note												
UNDCO	10								-			-	10
IAPSO	7				(1)	(1)			(2)		(3)	(5)	2
UNV	194								-			-	194
Total (net)	211	-	-	-	(1)	(1)	-	-	(2)	-	(3)	(5)	206
Total: Post increases/decreases (net)		-	-	(8)	(24)	(11)	6	-	(37)	(73)	(596)	(706)	

[a] As a result of restructuring: OSG transferred 1 IP and 2 GS posts to BDP; BDP transferred 1 IP post to BRSP; OAPR transferred 1 IP and 1 GS posts to BDP and BOM transferred 1 IP post to OSG and 2 GS posts to BDP; 1 IP and 2 GS posts were redeployed from headquarters - Central to BOM.

Note: All post resources assigned to country offices are shown under programme support - country offices alone and are not split between programme suppot - country offices and support to the operational activities of the United Nations - country offices.

Table 5 (continued)

Organizational unit	2000-2001	International Professional category and above								Nat. Prof.	GS and Other Categ.	Grand Total	2002-2003
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
2002/2003 RECLASSIFICATIONS													
A. Programme support													
1. Country offices													
Africa									-			-	-
Arab States									-			-	-
Asia and the Pacific				1	(1)	1	(1)		-			-	-
Latin America and the Caribbean									-			-	-
Europe and the Commonwealth of Independent States				1		(1)			-			-	-
Country offices - Central				1	(1)	1	2	(3)	-			-	-
Total (net)		-	-	3	(2)	1	1	(3)	-	-	-	-	-
2. Headquarters													
Operations Support Group					(1)	1			-			-	-
Emergency Response Division									-			-	-
Regional Bureau for Africa									-			-	-
Regional Bureau for Arab States									-			-	-
Regional Bureau for Asia and the Pacific					1	(1)			-			-	-
Regional Bureau for Latin America and the Caribbean						1	(1)		-			-	-
Regional Bureau for Europe and the Commonwealth of Independent States									-			-	-
Bureau for Development Policy				(2)	3	(1)	1		1		(1)	-	-
Special Unit for TCDC							1		1		(1)		-
Total (net)		-	-	(2)	3	-	1	-	2	-	(2)	-	-
Total programme support		-	-	1	1	1	2	(3)	2	-	(2)	-	-
B. Management and Administration													
Office of the Administrator/Associate Administrator									-			-	-
Evaluation Office									-			-	-
Office of Audit and Performance Review - Headquarters									-			-	-
Office of Audit and Performance Review - Country offices									-			-	-
Communications Office of the Administrator					1	(1)	1	1	2		(2)	-	-
Bureau for Resources and Strategic Partnerships				(1)	1			1	1		(1)	-	-
BOM/Directorate, Corporate Planning, Budget, Resource Planning and Legal									-			-	-
BOM/Office of Human Resources							1		1		(1)	-	-
BOM/Office of Finance and Administration					(1)	1		4	4		(4)	-	-
BOM/Office of Information Systems and Technology									-			-	-
Country offices - Central									-			-	-
Total (net)		-	-	(1)	1	-	2	6	8	-	(8)	-	-
C. Support to operational activities of the United Nations													
Country offices	see note								-			-	-
UNDGO									-			-	-
IAPSO									-			-	-
UNV									-			-	-
Total (net)		-	-	-	-	-	-	-	-	-	-	-	-
Total: Post reclassifications (net)		-	-	-	2	1	4	3	10	-	(10)	-	
Total change (net)		-	-	(6)	(22)	(10)	10	3	(27)	(73)	(606)	(706)	
2002-2003 PROPOSED POSTS		9	53	130	177	142	55	10	576	533	2,213	3,322	

Note: All post resources assigned to country offices are shown under programme support - country offices alone and are not split between programme support - country offices and support to the operational activities of the United Nations - country offices.

Table 6: Use of resources: Estimated regional distribution of programmes and programme support

(millions of United States dollars)

Resources available	2000-2001								2002-2003							
	Donor Resources				Local Resources				Donor Resources				Local Resources			
	Regular resources	Other resources (donor co-financing)	Total donor resources		Other resources (Government cost-sharing)		Total resources		Regular resources	Other resources (donor co-financing)	Total donor resources		Other resources (Government cost-sharing)		Total resources	
	$	$	$	%	$	%	$	%	$	$	$	%	$	%	$	%
TOTAL AFRICA	803.7	333.9	937.6	27.2	18.6	1.8	956.2	17.4	660.4	222.8	823.2	25.4	17.7	0.9	840.9	16.4
A. Programmes [a]	504.3	226.4	730.7		18.0		748.8		510.8	211.1	721.9		16.6		738.6	
B. Programme support																
Country offices [b]	87.7	5.9	93.6		0.5		94.1		77.8	10.3	88.2		0.8		89.0	
Headquarters	11.7	1.9	13.3		0.1		13.4		11.7	1.4	13.2		0.1		13.3	
Subtotal programme support	99.4	7.9	106.9		0.6		107.5		89.6	11.8	101.3		0.9		102.3	
TOTAL ARAB STATES	112.0	219.9	331.9	10.7	75.1	4.1	406.1	8.3	109.2	262.9	371.9	11.5	90.4	4.8	462.2	9.0
A. Programmes [a]	87.3	207.0	294.3		71.2		365.5		87.9	244.4	332.3		84.1		416.4	
B. Programme support																
Country offices [b]	20.8	10.1	30.9		3.5		34.4		17.1	16.1	33.2		5.5		38.7	
Headquarters	4.5	1.3	5.8		0.4		6.2		4.2	2.2	6.4		0.7		7.1	
Subtotal programme support	25.3	11.4	36.7		3.9		40.6		21.3	18.3	39.6		6.3		45.8	
TOTAL ASIA AND THE PACIFIC	374.2	229.5	603.8	19.8	30.8	1.7	634.6	12.9	371.7	298.4	670.2	20.7	49.0	2.1	719.3	13.9
A. Programmes [a]	322.6	222.8	545.4		29.9		575.3		323.7	283.3	607.0		38.0		645.0	
B. Programme support																
Country offices [b]	44.4	5.8	50.2		0.8		51.0		40.8	13.5	54.3		1.8		56.1	
Headquarters	7.0	1.2	8.2		0.2		8.4		7.3	1.6	8.9		0.2		9.1	
Subtotal programme support	51.4	6.9	58.4		0.9		59.4		48.1	15.1	63.1		2.0		65.2	
TOTAL LATIN AMERICA AND THE CARIBBEAN	96.2	254.2	350.3	11.4	1 673.7	91.1	2 024.1	41.1	92.1	252.7	344.8	10.6	1 664.0	86.4	2 008.8	39.2
A. Programmes [a]	62.9	248.1	311.0		1 633.7		1 944.8		62.9	245.2	308.1		1 614.3		1 922.4	
B. Programme support																
Country offices [b]	29.1	5.3	34.4		35.2		69.6		25.0	6.7	31.7		44.2		75.9	
Headquarters	4.2	0.7	4.9		4.8		9.7		4.2	0.8	5.1		5.5		10.6	
Subtotal programme support	33.3	6.1	39.3		40.0		79.3		29.2	7.5	36.8		49.7		86.5	
TOTAL EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES	134.9	99.1	234.0	7.3	24.3	1.9	258.3	5.2	136.7	167.5	304.1	9.1	58.0	3.1	362.1	6.9
A. Programmes [a]	96.0	96.0	192.0		33.2		225.2		96.0	157.5	253.5		54.5		308.1	
B. Programme support																
Country offices [b]	34.6	2.3	36.9		0.8		37.7		35.6	9.1	33.9		2.8		36.7	
Headquarters	4.3	0.8	5.1		0.3		5.4		4.9	1.6	6.7		0.6		7.3	
Subtotal programme support	38.9	3.1	32.0		1.1		33.1		30.7	8.9	40.6		3.4		44.0	
TOTAL INTERCOUNTRY, GLOBAL AND OTHERS	118.9	264.8	385.6	11.9	-	-	385.6	7.4	116.6	167.3	283.9	8.8	-	-	283.9	5.5
A. Programmes [a]	88.8	231.1	320.8		-		320.8		84.8	134.8	229.6		-		229.6	
B. Programme support - headquarters	21.1	23.7	44.8		-		44.8		21.8	32.5	54.3		-		54.3	
TOTAL CENTRALLY MANAGED SUPPORT	36.9	0.2	37.1	1.2	0.8	0.0	37.1	0.8	42.5	2.2	44.7	1.4	3.2	0.2	47.9	0.9
Country offices	25.3	0.6	31.9				31.9		36.8	2.0	38.8		2.9		41.7	
Headquarters	3.6	1.6	5.2				5.2		5.7	0.2	5.9		0.3		6.2	
TOTAL UNDP PROGRAMME & PROGRAMME SUPPORT	1 451.4	1 298.0	2 749.3	90.2	1 832.5	98.7	4 581.8	93.1	1 458.2	1 373.8	2 832.9	97.5	1 873.3	98.5	4 706.1	91.9
A. Programmes	1 163.1	1 231.1	2 394.2		1 768.0		4 160.2		1 178.1	1 276.4	2 452.4		1 857.7		4 290.1	
B. Programme support																
Country offices	231.9	36.0	267.9		40.7		308.6		223.3	56.8	280.1		58.0		338.1	
Headquarters	56.4	30.9	87.2		5.8		93.0		56.9	40.5	100.4		7.5		107.9	
Subtotal programme support	288.3	66.9	355.1		46.5		401.6		283.2	97.3	380.5		65.6		446.0	
C. Management and administration	110.9	3.1	114.0	3.7	5.5	0.3	119.5	2.4	109.3	6.7	116.1	3.6	9.6	0.5	125.6	2.5
D. Support to operational activities of the United Nations [b]	145.6	73.5	219.1	7.1	-	-	219.1	4.5	136.6	153.0	289.6	8.9	-	-	289.6	5.7
GRAND TOTAL	1 707.9	1 374.5	3 082.4	100.0	1 838.0	100.0	4 920.4	100.0	1 705.2	1 633.4	3 238.6	100.0	1 882.9	100.0	5 121.4	100.0

[a] Includes administrative and operational support, for 2002-2003, also includes the Economist Programme and an allocation for substantive consultancies amounting to a total of $13.0 million, as described in paragraphs 27 and 28.

[b] The 2000-2001 approved amounts have been adjusted to reflect the new percentage distribution of 23 per cent for support to operational activities of the United Nations, as described in paragraph 30.

(a) Refocused country office presence

50. The regular budget resources of UNDP are used to fund a basic presence at the programme country level to cover key functions in line with the organization's refined business model. In the past, UNDP functions in country offices were largely grouped into the resident coordination and development programme management, both supported by operational services. These functions include implementation support to national execution or direct execution as legislated by the Executive Board. The country offices continue to perform these functions in accordance with the Business Plans. It should be noted that the model has evolved and increasingly makes room for specialized knowledge-advisory and advocacy functions performed by substantive staff, including economists. The refined business model therefore includes the following key functions: the resident coordinator function, knowledge advisory services, development and operational support services. The resources allocated to the various country offices thereby constitute a basic fixed-cost structure to support the goals in the SRF. Additional activities at the country level within this framework will need to be funded directly by regular and other programme resources as well as, increasingly, by other budget resources. This applies also to the costs of operational support services that will increasingly be provided by a common operational support capacity into which the various clients contribute their funding in line with the demand for services.

Re-profiling country office Mongolia

Implementing transformation

The early transformation process of UNDP Mongolia provides a good example of the new type of UNDP country office that is envisaged under the Business Plans. The office shifted to a higher profile capacity, and increased focus on substantive tasks, comprising the Advocacy and ICT for Development Unit, the Programme and Policy Support Unit, and the Resident Coordinator Support Unit. The change process further entailed moving towards common operational services on a multi-funding basis, promoting learning initiatives, and staff renewal.

The SRF goals provided the reference for the substantive capacity needs of the country office. This substantive capacity has been established by upgrading the positions of national staff in all units through three new national professional posts while reducing the number of support staff (five in total). Other resources fund above 50 per cent of the total office capacity of 25 staff. Other United Nations organizations will complement some of the costs of the Resident Coordinator Support Unit.

Some of the operational services are already being provided on a common United Nations basis. As part of the United Nations House, which will be established during the 2002-2003 biennium, the operational support services will be integrated in a "business centre", that will provide a range of high quality services to the United Nations system at large, including secretarial services.

To staff the new structure with the right profiles, all posts were newly defined and offered in a job fair to which both existing staff and external staff could apply. This led to significant staff renewal. New learning activities to sharpen staff skills include: investments in ICT to facilitate participation in the corporate learning network; outposting of staff to other offices and headquarters for horizontal learning; and specific training in advocacy support.

With the re-profiled office structure, UNDP Mongolia has provided a substantive response to the disaster of winter 2000-2001 and is substantively involved in supporting governance for human security.

51. The approach of bringing country office capacities in line with a basic presence has been applied equally to all regions in proportion to their aggregate 2000-2001 regular budget as the base. Within the regions, regular budget resources have been allocated to secure a set of high-added value services to the SRF goals. In this regard, resources have been concentrated on attracting staff in the higher-skilled categories. The average size of this basic fixed-cost structure is reflected in table 7. While the middle-income programme countries operate from an average basic capacity of 10 staff, this figure is 24 staff in low-income programme countries. On average, every country office will have reduced its number of General Service staff by 5 at the start of 2002. While there has been an upward trend in the number of national Professional posts over the last ten years, the regular budget reductions for 2002-2003 entail a significant decrease of 73 posts in this category. The number of national Professional posts funded by other resources, however, is expected to grow to the extent that there will be a net increase for this category of staff. This shift to a multi-funded national professional capacity is reflected in summary table III.

52. Regional strategies further emphasize the networking and knowledge-sharing between country offices through staff rotation, specialized support services within the regions, and specialized exchange missions.

53. As a Business Plan priority for 2001, country offices have accelerated their transformation process, supported by a comprehensive package of resources and initiatives. First among the main support measures, refined results-based management and resource-planning tools have been rolled out and are being used by all country offices from 2001 onwards. These tools include a revised SRF and the introduction of a strategic budget planning tool (the resource strategy table) that facilitates the prioritization of budget resources to support the SRF goals in the most effective manner. These tools have been complemented by various staff performance-related initiatives (competency assessment for managers, annual results and competency assessment for all staff, and 360 degree feedback).

54. Second, approximately 20 subregional multi-country re-profiling workshops will have been conducted by Bureau of Management (BOM) during the first half of 2001 in conjunction with the regional bureaux. Through the workshops, country-office staff has been trained in applying a standard methodology to align functions with the envisaged results. Following the workshops, BOM also facilitates country-specific re-profiling missions. At least 80 per cent of all country offices will have received a re-profiling or validation mission by the end of 2001 as direct support for the transformation process. Third, regular budget resources for 2001 have been re-prioritized to provide targeted funding to country offices for specific local activities to undertake both managerial and programmatic initiatives.

55. In addition to the transformation process outlined above, alternative models for UNDP presence at the country office level are being explored within the objective to use UNDP resources more efficiently. The concept of a field service centre, which is in the preparatory phase, entails both the decentralization of certain functions from headquarters to lower-cost locations and the transfer of certain functions from the country offices to the subregional level to reach economies of scale. This approach also facilitates specialization and, therefore, higher quality services. The concept is currently considered for two locations in 2002, namely the Caribbean subregion and the RBEC region. Furthermore, UNDP and UNICEF are assessing the feasibility of a model (the "three-hat model") that would de facto create a joint office under one head who would serve simultaneously as Resident Coordinator and Representative of participating organizations; other office resources would also be pooled. The aim is to introduce this model on a pilot basis in two to three programme countries during the biennium 2002-2003.

Table 7. Allocation of posts per region by income category, 2002-2003

	Africa	Arab States	Asia and the Pacific	Europe and the Commonwealth of Independent States	Latin America and the Caribbean
I. NUMBER OF COUNTRIES					
A. Programme countries	44	12	35	28	28
Low-income countries	37	4	16	10	4
Middle-income countries	7	8	19	17	22
NCCs in transition				1	2
of which:					
LDCs	32	4	12	0	2
B. Net contributor countries	0	5	1	0	2
II. PROFESSIONAL CAPACITY[a]					
A. Programme countries					
International Professionals	121	30	70	42	39
National Professionals	168	43	89	62	49
LEAD Professionals	6	2	5	2	2
Regional information managers	6	2	6	1	3
Subtotal programme countries	301	77	170	107	93
B. Net contributor countries					
International Professionals		7	0		3
National Professionals		0	0		0
Subtotal net contributor countries	0	7	0	0	3
Total Professional staff in programme countries and NCCs	301	84	170	107	96
III. INCOME GROUP	**Number of countries**	**Average International Professionals**	**Average national officers**	**Average General Service**	**Total average staff**
All country offices	136	2	3	13	18
All programme countries	147	2	3	12	17
Low-income countries	71	3	4	17	24
Middle-income countries (including NCCs in transition)	76	1	2	7	10

[a] Excludes 27 International Economists who have been transferred to the programme budget.

(b) Centrally budgeted resources

56. This category relates to resources either of a regional or global nature where country offices are the beneficiaries. Summary table III shows that the total number of posts budgeted under this category for 2002-2003 amounts to 178, of which 26 are international Professionals, 55 are national Professionals and 97 are support staff posts. A breakdown of the various sub-components under this category is as follows:

(a) The newly designed LEAD recruitment programme for young internationally recruited staff will have 19 entry-level posts available under the 2002-2003 biennium. This represents an increase of 10 post from 2000-2001, which reflects the UNDP commitment to staff renewal within the re-prioritization of resources. Two of the 19 entry-level positions that are available are kept under this sub-component;

(b) A provision for 15 international Professionals who will be deployed in a flexible manner to strengthen the capacity of offices in special development situations as needs arise. This capacity is similar to that in the biennium 2000-2001 and has proven an effective approach to implement the ERD rapid response mission in the wake of natural disasters or other crisis situations;

(c) All security-related costs to UNDP have been grouped under this sub-component. This includes (i) two international Professionals who have been assigned to the area of security at the country office level, outposted or linked to the United Nations Secretariat to support a joint response; (ii) UNDP contributions to the common United Nations Field Security Officers arrangements; (iii) contributions to special insurance premiums for risk-prone locations; and (iv) a small allocation for security-related equipment (see paragraphs 119-124).

(d) ICT support at the country-office level has been modified to bring it closer to the strategic needs within each region. Paragraphs 104 to 109 refer. To this extent, the previous subregional information managers network, which was spread out over 18 locations, has been consolidated in some seven locations. This facilitates synergies and produces some economies of scale and thus efficiency gains. In 2002-2003, the concept of regional information managers will be introduced under flexible contractual arrangements. The volume of resources allocated to this network is the same as for 2000-2001, amounting to $2 million;

(e) The resources allocated to the Programme of Assistance to the Palestinian People remain unchanged compared to 2000-2001 and include 2 international Professional posts, 3 national Professionals, and 10 support staff;

(f) Also included is a $0.5 million provision for the planning and assessment of new United Nations Houses, similar to the provision in 2000 – 2001, responding to the Secretary-General's reforms;

(g) There is a total provision of $13.8 million for the ICT requirements of country offices under this category. This includes a priority investment of $9 million to maximize re-engineering and exploit information technology, including use of the Internet (Paragraphs 104 to109 refer);

(h) An amount of $1.0 million has been allocated to cover the special needs of country offices concerned to deal with staff-related HIV/AIDs issues and awareness;

(i) Two international Professional posts and two support positions within the Special Unit for Technical Cooperation among Developing Countries have been established in relation to shifts to country office locations in Africa and Asia to serve the clients better;

(j) The sum of $6.2 million has been provided for the premiums for after-service health insurance for retirees and staff costs such as ex-gratia payments;

(k) Finally, a relatively small percentage of the post resources (3 international posts, 34 national professionals, and 85 support staff) will be used for specific strategic needs that will emerge in the course of the biennium. This approach has been effective during the current biennium, in particular to strengthen temporarily the UNDP presence in special circumstances e.g., in Kosovo and East Timor, before the adequate resource shifts could be made within the region. It is planned to assign a significant share of these resources to Africa in 2002.

(c) Government contributions toward local office costs

57. For 2000, GLOC payments amounted to $18.8 million against a $28.5 million obligation; they were received either directly or through the accounting linkage with voluntary contributions. Of the $18.8 million received, $5 million were from low-income countries, $11.4 million from middle-income countries and the remaining $2.4 million from net contributor countries. The average percentage of income received against obligations was 66 per cent, or some 7 per cent higher than in 1999. For each specific group of countries, this percentage is reflected in table 8.

58. While the performance of GLOC payments has improved for the second year in a row, the income is still below the reduced projected levels of $27 million per year, which was reflected in the 2000-2001 biennial support budget. In the course of the biennium 2000-2001, many UNDP country offices have approached host Governments to discuss the GLOC issue as part of a comprehensive dialogue on the role and sustainability of the UNDP presence. In terms of budget management, UNDP has to reduce its budget expenditures to cover any GLOC deficits that may occur in order to remain within the net approved budget. In this regard, during the current biennium UNDP has targeted in particular the expenditures in middle-income countries with GLOC deficits. However, reductions made, while a proven incentive to improve GLOC performance, represented only a small portion of the actual deficit amount, or some 6 per cent. These reductions did not involve any staff positions and focused exclusively on operating costs. For the 2002-2003 budget, it is proposed to maintain the option to withhold part of the budget resources for those countries where significant GLOC deficits occur, with the emphasis on middle-income countries.

59. Against this background, and while GLOC performance is expected to improve further, collections from low-income countries, including crisis countries, will not be at the targeted levels. It is therefore proposed that the estimated income level for 2002-2003 be set at $24 million per year, down from $27 million in 2000-2001. This implies that the current estimated income to the budget relating to GLOC, amounting to $54 million for the biennium, will be reduced by $6 million; the 2002-2003 estimated income to the budget relating to GLOC will therefore amount to $48 million.

Table 8. GLOC income by category of countries, 2000

	Year 2000		
	Percentage received against obligations	Income received ($ millions)	Obligations ($ millions)
Low-income countries	53%	5	9.4
Middle-income countries	65%	11.4	17.6
Net contributor countries	160%	2.4	1.5
Least developed countries	41%	3.4	8.2

2. Headquarters

60. This component of Programme support comprises: Operations Support, Emergency Response, five regional bureaux, and Development policy. It also includes the Special Unit for Technical Cooperation among Developing Countries, where the 2002-2003 support budget remains unchanged, with 2 International Professional posts and the resources relating to 1 support staff being redeployed to the field level. Table 4 shows that 5.1 per cent of total post resources is

allocated under this component of the budget. Furthermore, the total appropriation in 2002-2003 allocated for this component of the budget amounts to $62.4 million, as shown in table 3. The areas that are affected by the overall proposals are covered below.

(a) Operations support

61. The Operations Support Group (OSG) acts as the custodian for the results-based management tools for UNDP, coordinates the development and use of corporate oversight systems and supports the Associate Administrator in his role as UNDP chief of operations.

62. OSG, together with the regional bureaux and BDP, will concentrate on a fuller mining and use of the rich performance database provided through the SRF/ROAR and related processes. This will facilitate the mapping of current demand for UNDP services and analyses of new programme options, directions and focus areas. It should also enable management to identify more clearly and more quickly where UNDP is performing well, where it needs to do better and how. While there have been post redeployments from OSG to BDP following the transfer of the function relating to programme policies and procedures, the budgetary implications for OSG during 2002-2003 remain marginal.

(b) Emergency response

63. The crisis and post-conflict (CPC) strategy noted by the Executive Board in its decision 2001/1 has been further enhanced by the implications of the report of the Panel on United Nations Peace Operations (A/55/305-S/2000/809, the Brahimi Report). The role of the Emergency Response Division (ERD) will be to position UNDP within the reconfiguration of United Nations peace operations as the agency to lead the development dimensions of peace-building and prevention. It will also take the lead in implementing the CPC strategy, working closely with relevant headquarters units and resident representatives. In this regard, the Division has been entrusted by the Administrator for the operational responsibility within UNDP for crisis situations to ensure timely and effective responses by UNDP, which will also include the development of a toolbox.

64. ERD will be responsible for developing new initiatives in terms of strategy-setting as well as policy development, operational support and programming in CPC environments. Furthermore, it will build relationships with new partners, including within the United Nations system, non-governmental organizations (NGOs) and donors. It will continue to advocate the development dimensions in crisis situations and define the UNDP niche in this regard. ERD will also continue to assist programme countries in the mobilization of funds through the thematic trust fund for CPC. The Administrator maintains the minimal funding of three international Professional posts and three support staff posts from the regular budget, with the rest of the funding of the Division capacity coming from other resources.

(c) Regional bureaux

65. The regional bureaux will drive the vision for country offices as envisaged in the Business Plans. Their key functions will be to provide services to and on behalf of country offices and to ensure the overall oversight of country office operations. The main challenge will be to support country offices in their capacity to deliver high-value knowledge-advisory services. This will encompass: oversight and backstopping capacity; effective management of human resources; advocacy; communication and effective use of information technology; partnership and networking; and resource mobilization.

66. In the regional bureaux overall, there will be a reduction over the biennium of 2 international Professional posts and 4 support posts and associated operating costs,

(d) Development policy

67. The Bureau for Development Policy (BDP) will play a significant role in the new vision for UNDP. The aim of the Business Plans is to bring the policy capacity of the organization to the level where it can consistently provide world-class services to help programme country Governments to meet their development goals. As the policy arm of the organization, BDP will use this capacity to develop cutting-edge policy initiatives around key development priorities and to provide high-quality policy support to the regional bureaux, country offices and, through them, programme countries. In this connection, the second global cooperation framework (GCF), approved by the Executive Board in its decision 2001/7, will support the related initiatives.

68. In order to play effectively the role foreseen for it, BDP has been carrying out a comprehensive transformation in three areas: building up the requisite knowledge networks; ensuring full country office coverage for policy support through subregional resource facility (SURF) clusters; and creating a new working environment both at headquarters and in the field to suit a downsized, reorganized operation. Specifically, by the end of 2002 knowledge networks will have been established in all of the organization's key practice areas, ensuring that policy specialists can effectively network with their peers in the development community, enabling cadres of UNDP programme staff to develop into communities of practice, and promoting organizational learning based on information-sharing. Geographical coverage of the SURFs will have been completed, ensuring that all country offices are effectively provided with policy support. By the end of 2001, BDP will have redeployed 98 staff to the field, organized into nine SURF clusters, allowing the country offices of each cluster to direct and coordinate the policy support provided to them.

69. These initiatives are being funded from earmarked other resource contributions to the Business Plans. The Business Plans transformation budget complements resources from the GCF, which, among other items, finances the outposted BDP policy specialists. These transformation initiatives will be one-off investments that are targeted for completion by the end of 2002. Since the transformation efforts are designed to improve dramatically the quality and performance and related results of UNDP operations, the expectations are that this should have a significant impact in turning around the resource situation of the organization. This will be crucial for the sustainability of many of the initiatives under way. The regular budget will continue to finance BDP recurrent operations and will remain unchanged from 2000-2001 levels.

70. Finally, the support budget for the Office to Combat Desertification and Drought (UNSO) is now incorporated as part of the other resources of BDP. The administrative consolidation of the two UNSO trust funds has been successful. A thorough analysis of UNSO has been undertaken in connection with the Business Plans and the new orientation of BDP. This has resulted in the transfer of the office to Nairobi, Kenya, with outposted operations to service the Arab States region.

(e) Centrally budgeted resources

71. This category covers elements that are not unit specific but cut across all units and as such are centrally budgeted and managed. These include premises and all associated costs, information technology and other common services. The various elements are discussed under the overall section on centrally budgeted resources for headquarters in paragraphs 82 to 84.

D. Management and administration

72. The present section covers the management and administration component of the budget. It comprises: Audit and Performance Review, Evaluation, Resources and Strategic Partnerships, Communications, Management Office of the Administrator and a central component for headquarters and country offices. For the Office of the Administrator, the 2002-2003 support budget remains basically unchanged, with, however, a review of its staffing levels to be carried out during 2001-2002. As shown in tables 3 and 4, this component covers 20.5 per cent of total appropriations and 7.8 percent of post resources. The areas that are affected by the overall proposals are covered below.

1. Audit and performance review and evaluation

73. OAPR is a member of the Oversight Group, which also includes the Operations Support Group and the Evaluation Office. A more collaborative working relationship of the Oversight Group is being reviewed. This will also include a review of the operations and approach of the Office of Audit and Performance Review (OAPR) in order to enhance its responsiveness to organizational needs.

74. Subject to the results of the review, OAPR plans to continue its strategy of providing its services from headquarters and three regional audit service centres located in Malaysia, Panama and Zimbabwe. The audits at the country level will continue to be carried out through a combination of personnel on contracts for activities of limited duration (ALD) and through international audit firms. The contracted audit services in Asia and the Pacific and the Arab States regions will be assessed during the biennium. Internal investigation capabilities are also being strengthened. The overall budget for OAPR in 2002-2003 is being maintained at the same level as in 2000-2001.

75. The Evaluation Office work programme for 2002-2003 will contribute to the transformational goals of the Business Plans, specifically those relating to policy, partnerships and performance. The evaluation agenda will address three broad challenges and strategic directions: tackling broader organizational concerns and providing evaluative evidence to support the transformation and repositioning of UNDP as an upstream global advisor; strengthening results-based management and the alignment of evaluation-based performance assessment at the macro level through the new business model; and nurturing and strengthening partnerships in the conduct of evaluations, methodology development and lessons learned, with the emphasis on broadening partnerships.

2. Resources, strategic partnerships and communications

76. The Bureau for Resources and Strategic Partnerships (BRSP) was established in January 2000. In creating this bureau, the Administrator had in mind the promotion of two key principles. The first was the principle that UNDP in the future would need to work with and through partnerships. Resources would follow partnerships. The new bureau brought together overall responsibility for a wide array of partnerships that previously had been widely dispersed – namely those with States members of the Executive Board, with other Member States of the United Nations, with the Bretton Woods institutions, and with civil society and the private sector. The second principle was that in an environment increasingly reliant on funding from other resources, UNDP outreach and resource mobilization activities needed to be increasingly coherent and strategic in orientation.

77. BRSP has a critical role to play in the successful implementation of the Business Plans. The biennium 2002–2003 will be a decisive period for making progress with regard to rebuilding the regular resources of the organization and developing new and strong partnerships. The regular

budget for BRSP in 2002-2003 is being maintained at the same level as 2000-2001, with strengthening through other resources, which includes targeted contributions under the Business Plans.

78. The Communications Office of the Administrator (COA) will concentrate during 2002-2003 on implementing the corporate communications strategy. This will encompass building and intensifying the UNDP culture of communications, both internally and externally, streamlining information materials and special events to match the new UNDP vision, as well as projecting UNDP work within the framework of the United Nations as a whole. In this regard, COA will further refine its structure, including through the further alignment of functions and resources with corporate communications priorities. The regular budget for COA in 2002-2003 is being maintained at the same level as in 2000-2001.

3. Management

79. The Bureau of Management (BOM) was established in January 2000 through the merger of BPRM and BFAS. The purpose of the merger was to bring about closer alignment between all human, financial and information technology resource management functions and between resource allocations and corporate planning. This merger has increased synergies and has resulted in improved links between plans and resources. It has also offered opportunities for streamlining and economies of scale.

80. BOM will increasingly focus on higher-valued added functions, such as policy development, oversight, performance management and advisory support. BOM responsibility is to ensure that the management services provided are high standard, cost effective and demand driven. Matrix arrangements involving service agreements with clients and the outposting of matrixed staff to clients in headquarters and the field will help BOM units to fulfil this responsibility. In linking resources with plans, BOM has the overall responsibility for corporate planning in UNDP, specifically aligning resource allocations strategically with the priorities of these plans and the monitoring of their implementation. As such, BOM has developed a performance management system, incorporating a balanced score card and integrated systems for planning and resource allocation that can track in quantifiable terms the transformation goals set out in the Business Plans.

81. The Business Plans commit UNDP to a significant shift in staff and functions to the field, involving greater decentralization and use of networks. BOM has an important role to play in providing the necessary operational support to country offices to absorb the increased responsibilities. It has coordinated headquarters support to country-office re-profiling and will continue this role in 2002-2003; it will also launch a major re-engineering exercise to benefit country offices through the introduction of improved, streamlined business processes. At the same time, the outposting of BOM staff to provide integrated operational services at the field level to clusters of country offices will be piloted. In respect of the 2002-2003 support budget, BOM will reduce under the regular budget 21 posts and associated operating costs.

4. Centrally budgeted resources

82. The centrally budgeted resources reflect those costs that need to be managed centrally since they relate to activities that cut across units as a whole and lend themselves to centralized implementation. These resources, for both management and administration and programme support, cover provisions for (a) information and communications technology (described in paragraphs 104-109); (b) premises and infrastructure costs, furniture and equipment,

communications and advocacy; (c) reimbursement to the United Nations for services received; and (d) UNDP contributions to joint-financed activities of ACC.

83. The changes in this group will be in the areas of information and communication technology and reimbursement to the United Nations for services received. The negotiations between the United Nations and the client organizations (UNDP, UNFPA, UNICEF and UNOPS) were completed in the first half of 2001. While the organizations had incorporated projected increases for this item in their prior biennial support budgets, there were some unanticipated areas of increase introduced in the final billings for 2000-2001, which will also be applicable for 2002-2003. This included areas such as security and contributions to the Joint Staff Pension Fund, where the United Nations has made corrections and/or included adjustments as a result of General Assembly resolutions. To compensate for this, a small increase of $0.5 million has been included. The United Nations Secretariat has informed UNDP that the final agreement between the organizations and the United Nations, with the financial implications, will be presented to ACABQ in the context of the United Nations 2002-2003 budget proposals.

84. Finally, certain realignments between management and administration and programme support have been undertaken without impact on the overall budget, as discussed in paragraph 43 (a).

E. Support to operational activities of the United Nations

85. This component is an integral part of the support budget of UNDP, which is consistent with the harmonized presentation of the budget as approved by the Executive Board. It recognizes that UNDP is at the heart of the United Nations country presence relating to United Nations development activities. This component comprises: (a) United Nations Development Group Office; (b) country offices; (c) United Nations Volunteers; and (d) Inter-Agency Procurement Services Office, which are discussed in the following paragraphs.

1. United Nations Development Group Office

86. The United Nations Development Group Office (UNDGO) will continue to concentrate during 2002-2003 on strengthening the resident coordinator system and the strategic coherence of the United Nations development system through:

(a) Improved selection, appraisal and training of resident coordinators as leaders of United Nations country teams;

(b) Effective headquarters, regional and subregional support to United Nations country teams, especially their leaders;

(c) An increase in common services and United Nations Houses; and,

(d) Further harmonization, rationalization and simplification of UNDGO programming procedures.

87. The regular budget of UNDGO for 2002-2003 will remain at the same level as in the previous biennium. UNDGO will continue to be strengthened by targeted other resource contributions and through secondments from other UNDG partners.

2. Country offices

88. As mentioned in paragraph 20, at the Ministerial Meeting in September 2000, the Secretary-General highlighted the central role of UNDP as the operational development arm for the United Nations system at the country level. As the manager and funder of the resident coordinator system,

budget for BRSP in 2002-2003 is being maintained at the same level as 2000-2001, with strengthening through other resources, which includes targeted contributions under the Business Plans.

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2. Country offices

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UNDP plays a critical role in leading the United Nations team at the country level towards achieving a coherent and effective development effort by the United Nations system at large.

89. The active participation of programme countries in shaping the global agenda is supported by the presence of the Resident Coordinator at the country level. A major function of the Resident Coordinator is to promote the international development targets by engaging country-level development partners in policy dialogue and bringing together the operational arms of the United Nations system for a strengthened and more appreciated United Nations presence. Furthermore, the Resident Coordinator mobilizes funds on behalf of the United Nations system as a whole. Last but not least, the Resident Coordinator promotes the streamlining and integration of the operational support functions of the United Nations system at the country level to generate economies of scale, in line with reforms instituted by the Secretary-General.

90. Starting with the biennium 1994-1995 and pursuant to Executive Board decision 93/35, UNDP has presented its support budget with a separate appropriation line for support to the operational activities of the United Nations. In arriving at the workload and related budget resources, UNDP carried out workload surveys in 1992 and 1997. In its review of the current and previous support budget, the Advisory Committee on Administrative and Budgetary Questions recommended that UNDP review the methodology for compiling and analysing data regarding all elements of the organization's support to the operational activities of the United Nations (see documents DP/1997/31 and DP/1999/33). UNDP reviewed these activities as well as the existing methodologies in the course of 1999, as noted in the budget estimates for the biennium 2000-2001 (DP/1999/31).

91. In its review, UNDP clarified the line between the Resident Coordinator functions that continue to be provided from the regular resources capacity and those services provided to the United Nations system that are additional and in the nature of project implementation. The latter category should, given its nature, be funded from the regular or other resources of the respective organizations that request UNDP to provide such services. The respective cost-recovery guidelines were introduced in 2000 and are being applied progressively by the concerned organizations and UNDP country offices. The guidelines include a transparent methodology to calculate the costs of the services. In March 2001, all organizations that obtain services from UNDP country offices were solicited to comment on the experience with the guidelines in an effort to harmonize further the approach and reduce the transaction costs. The estimated total reimbursement is expected to reach an annual level of $5 million by the end of 2001.

92. For 2001, all country offices have applied a simplified activity-based costing methodology that establishes a resource strategy table that enables them to plan and prioritize the use of their support budget resources within their central support functions. This prioritization process also aims at aligning the support functions with the SRF. Following this methodology, and using time as the cost-driver, country offices expect to allocate 23 per cent of their total regular budget resources in 2001 to the clearly defined resident coordinator function.

93. Against this background, UNDP would attribute 23 per cent of costs at the country-office level to support to the operational activities of the United Nations. This represents a decrease of 4 percentage points from the appropriations at the country office level attributed to this component in the 2000-2001 budget. For comparative purposes, the approved 2000-2001 appropriations have been readjusted on the basis of the new distribution. This reduction is in line with the clarification regarding the reimbursable nature of some of the activities within this component, as described above.

3. United Nations Volunteers

94. In its decision 2000/14, the Executive Board took note with appreciation of the report of the Administrator on the activities of the United Nations Volunteers (UNV) programme during the 1998-999 biennium (DP/2000/24) and the significant growth achieved during that period. The report provided an overview of the key features and achievements of the work of the UNV during the 1998-1999 biennium. It also highlighted the UNV vision and strategic directions at a time when the importance of volunteer contributions to the development of peaceful and prosperous societies is increasingly recognized. The report reflected the growth in the number of volunteer assignments and the broader participation in UNV by new partners; the expanded support of UNV to United Nations system-wide operations for development and peace; UNV capacity to work effectively in collaboration with disadvantaged groups and communities; and the universality of the UNV programme and the opportunities it presents for South-South collaboration.

95. In his annual report for 2000 (DP/2001/14), the Administrator provided additional information on UNV achievements in 2000. More than 4700 UNV volunteers of 157 different nationalities carried out close to 5180 assignments in 140 different countries. About 70 per cent of the volunteers came themselves from developing countries. More than half of them carried out international assignments in line with the UNV objective to promote South-South cooperation actively. Through its national volunteer schemes, international volunteers continued to work most often together in mixed teams with national volunteers, thereby enhancing national ownership and ensuring sustainability. UNV involvement in major United Nations peace-keeping operations and in elections (e.g., in East Timor, Kosovo, Sierra Leone) is but one of the highlights. The Brahimi Report specifically recognized the contributions of UNV and UNV volunteers. With 2001 being proclaimed the International Year of Volunteers, considerable attention is being given to UNV to develop further its position as the volunteer arm of the United Nations in support of volunteering for development.

96. With regard to the support budget for UNV, table 9 provides an overview of key indicators over time, including estimates and proposals for the current biennium 2000-2001 and for the 2002-2003 biennium. Indicators pertain to both regular and other budget resources, to posts and to the average number of volunteer assignments managed. As shown, the average annual number of volunteer assignments managed is projected to increase significantly from 3383 during 1994-1995 to 5180 in 2000-2001, representing an increase of almost 54 per cent, with continued growth projected for 2002-2003. Over the same period, the total gross support budget of UNV proposed for 2002-2003 and comprising both regular and other resources is less than 3 per cent higher than in 1994-1995 as a result of a number of measures taken in the previous and current bienniums.

97. For the regular support budget for UNV, table 9 shows the net cost of UNV to the total UNDP regular support budget. The UNV regular support budget from UNDP voluntary contributions has decreased substantially from a high level of $32.8 million in 1996-1997 to $24.5 million proposed for 2002-2003, a reduction of 25 per cent. In order to achieve this reduction, a two-prong approach was followed in the recent past and will continue to be followed in 2002-2003: (a) an overall reduction of costs and (b) the offsetting of income relating to volunteer assignments that are not financed from UNDP programme resources but by organizations such as UNHCR , UNICEF, WFP and by Governments in the form of fully funded volunteers. The above takes into account that the application of the staffing formula for adding supplementary staff, as approved by the Executive Board in its decision 97/24, continues to be deferred in the context of the overall budgetary constraints of UNDP.

98. Table 9 also indicates that the Other resources part of the support budget increases significantly from $2.1 million in 1994-1995 to a proposed $5.7 million for 2002-2003. This is fully

consistent with the fact that the strongest growth of the programme has been in the context of special operations such as United Nations peace-keeping activities. Support to these special operations is fully covered by (a) general support costs to cover costs at UNV headquarters and at UNDP country-office level and (b) provisions made in the respective budgets of, for instance, United Nations peace-keeping missions to cover special UNV support units in the field.

Table 9. Overview of UNV resources and posts

Source of funding	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003
	Biennial support budget: financial (millions of United States dollars)				
Regular resources: gross	31.2	32.8	30.4	29.2	28.7
Regular resources income	0.0	0.0	1.0	2.0	4.2
Regular resources: net	31.2	32.8	29.4	27.2	24.5
Other resources	2.1	3.1	2.3	5.5	5.7
Total resources: gross	33.3	35.9	32.7	34.7	34.4
Total resources: net	33.3	35.9	31.7	32.7	30.2

	Biennial support budget: posts									
	P	GS	P	GS	P	GS	P	GS	P	GS
Regular resources	33	60	29	56	27	50	27	47	27	47
Other resources	8	5	11	5	8	12	10	15	11	15
Total	41	65	40	61	35	62	37	62	38	62

	Volunteer assignments				
Total resources: Average number per year	3383	3431	4401	5180	5300

4. Inter-Agency Procurement Services Office

99. The Inter-Agency Procurement Services Office (IAPSO) will enter a new self-financing era at the start of the 2002 financial year, following a gradual increase in its service revenue over several years, in line with Executive Board decision 96/2. From 2002, IAPSO will finance its operations, including its important inter-agency function, almost entirely from service revenues. The procurement handling volume amounting to $88 million in 2000 is expected to rise marginally, with efforts to reduce costs aggressively. Early investments in e-procurement solutions have generated impressive efficiency improvements, enabling IAPSO to be compared favourably with private-sector operators. IAPSO reached its first-ever break-even point, balancing income and expenditure from its genuine business operations in the first quarter of 2001, one year ahead of schedule.

100. Taking into account the cyclical nature of the procurement agency business with large accounts suddenly phasing out without immediate replacement of alternative portfolios, IAPSO will need to increase its reserves to be able to cope with any downturns. However, despite such situations, a sustainable, financially independent future is projected. IAPSO will therefore function as a self-financing entity and from 2002-2003 will be funded almost exclusively by other resources with the regular support budget funding 1 Professional post for the Director function and 1 support staff.

F. Other matters

1. Human resources management

101. The human resource capacity of UNDP is the single most critical internal resource in the ability of the organization to deliver and demonstrate results. As an integral objective of the Business Plans, considerable attention has been given and will continue to be given to learning. Strategically selected learning initiatives through a network of learning managers both at the country level and at headquarters will help to promote a dynamic learning agenda. Staff learning will be achieved through the decentralized delivery of learning packages, performance management and competency development, maximizing the use of competency-based learning modules and decentralized, team-based training. The organization has also expanded the use of computer and video-based packages as a tool for promoting learning. In line with target of the Business Plans to increase resources for learning, the resources available under the 2002-2003 regular support budget will be increased to $10.8 million from a base of $7.4 million in the 2000-2001 budget. Additional resources for learning will come from other resources.

102. At the same time, the organization will need to align existing staff with the needs of the new UNDP through targeted learning initiatives. In addition, there will be the need to bring in new recruits to provide for a balanced skills mix. This is to be achieved through a mix of attrition, early separations and the establishment of 10 entry-level international positions. In this connection, it is proposed that the allocation for voluntary separations available under the 2000-2001 support budget be maintained. As such, the allocation in the 2002-2003 support budget adjusted for inflation is $10.7 million.

103. UNDP is currently revising and strengthening its internal justice and conflict-resolution system. Changes will be of both procedural and structural. It is expected that a Disciplinary Committee Secretariat will be established, staffed by a trained lawyer. In addition, it is expected that a permanent ombudsman/mediation function will be established at headquarters, possibly supplemented with regional resources. Over the biennium, the capacity of the legal support functions in UNDP will be reviewed with a view to strengthening the function as appropriate.

2. Information and communications technology

104. The effectiveness of all corporate business systems, their compatibility with web-based applications and a strong platform for knowledge management will be of paramount importance towards achieving the vision under the Business Plans. In formulating the UNDP information and communications technology (ICT) strategy, special attention is being paid to those aspects of the Business Plans where an effective ICT strategy would be able to make measurable, value-added contributions to programme countries.

105. The strategy will therefore encompass: comprehensive business-process re-engineering both at the country level and headquarters, with the aim of increased efficiency through web-enabled and integrated software applications; a technical network platform linking all UNDP offices cost effectively worldwide; and a knowledge-management platform that will proactively foster and support this capability within UNDP and in responding to the needs of programme countries.

106. Enormous technological advances have been made in telecommunications in the last five years. High levels of connectivity can be assured with high availability - the service is always there, regardless of location and time. This new connectivity and bandwidth make it possible to implement levels of centralization of information technology equipment, applications and data storage that were previously unthinkable. Such centralization could lead to important economies in terms of reduced

equipment investments and the attendant need for skilled information technology support staff in the country offices. Centralization then becomes an evident stepping-stone to an eventual outsourcing opportunity. Centralized data storage would lead not only to lower cost but also to more secure data storage capabilities, creating the opportunity to make vast advances in the knowledge-management potential of UNDP.

107. The UNDP approach will be to introduce the latest ICT technology between three and six years after it is commercially available for the first time. This envisages moving to integrated web-based software platforms covering both headquarters and country offices, investing in telecommunications as the UNDP ICT backbone, outsourcing of email and possibly other ICT activities, and the implementation of the concept of remote applications and data storage access in a phased manner.

108. Against this background, the current resources available for information systems and communications for UNDP have been reviewed, which included the benchmarking with similar organizations. In this connection, the UNDP ICT environment has been benchmarked with that of UNICEF, an organization with similar characteristics. UNICEF allocated $47 million for ICT in 2000-2001, compared to the UNDP ICT allocation of $27 million for the same period, a difference of $20 million.

109. The Administrator's view is that UNDP should target at the very least a similar level of resources, that is, $47 million for 2002-2003. It is proposed that under the 2002-2003 support budget, the current allocation of $27 million be increased by $9 million as a priority investment for country-office business re-engineering and systems, providing a total allocation of $36 million. The Administrator is proposing that the remaining $11 million be made available as a transitional reserve by a charge against the general balance of resources. The Administrator expects that possible savings from the implementation of the 2000-2001 support budget would offset part of this charge. Table 10 provides an overview of the total estimated requirements both as they relate to recurrent maintenance, business process re-engineering and systems development. As shown in the table, the total allocation for ICT will increase to $35.6 million in the 2002-2003 support budget, compared to the $27.1 million available for 2000-2001. Including the amount available under the transitional reserve, the total resources for ICT will amount to $47 million.

3. United Nations House programme

110. The United Nations House programme was launched as an integral part of the Secretary-General's reforms and approved by the General Assembly in 1997. As the Secretary-General has stressed, the drive to establish common premises and common services arrangements at the country-office level will save administrative costs to the benefit of the programme countries and will serve to encourage a regular habit of coordination, cooperation and consultation. To date, a total of 46 United Nations Houses have been established.

111. The UNDG Executive Committee member organizations, UNDP, UNFPA, UNICEF and WFP, set a target of five United Nations Houses to be established per annum. During 2000, while the target was met with new United Nations Houses in Bahrain, Botswana, Ecuador, Gambia and Slovakia, the pace of proposals being submitted to the Sub-group slowed somewhat. A special effort was therefore made in 2000 to identify potential opportunities in 43 countries for new United Nations Houses. The year 2001 started well, with three United Nations Houses already established in March 2001 in Japan, Namibia and Trinidad and Tobago.

Table 10. Estimated distribution of information and communications technology requirements, 2002-2003
(thousands of United States dollars)

Purpose		Staff costs	Contractual services: Systems development and re-engineering	Contractual services: Maintenance services	Contractual services: Hardware/ software supplies	Other	Total
I. RECURRENT MAINTENANCE							
	2000-2001	5 474.3	-	2 572.6	7 957.6	-	16 004.5
	2002-2003	6 750.4	-	2 060.2	1 296.3	192.3	10 319.2
II. BUSINESS PROCESS RE-ENGINEERING AND SYSTEMS DEVELOPMENT							
Country offices							
	2000-2001	1 069.5 *	2 268.9	-	805.8	-	4 144.2
	2002-2003	814.7 *	11 497.2	-	3 395.3	-	15 707.2
Head quarters							
	2000-2001	1 794.3 *	3 806.8	-	1 351.9	-	6 953.0
	2002-2003	-	5 660.4	-	3 947.4	-	9 607.8
Subtotal: II. Business process re-engineering and systems development							
	2000-2001	2 863.8	6 075.7	-	2 157.7	-	11 097.2
	2002-2003	814.7	17 157.6	-	7 342.7	-	25 315.0
III. TOTAL - SUPPORT BUDGET							
	2000-2001	8 338.1	6 075.7	2 572.6	10 115.3	-	27 101.7
	2002-2003	7 565.1	17 157.6	2 060.2	8 639.0	192.3	35 634.3
Proposed allocation under transitional reserve			11 400.0				11 400.0
GRAND TOTAL: 2002-2003		7 565.1	28 557.6	2 060.2	8 639.0	192.3	47 034.3

* Includes training

112. During 2000, the UNDG Management Group on Common Premises has also developed standard documents and general guidelines to assist country teams in implementing the United Nations House programme. It is expected that these measures will assist country teams in the process of negotiation and consensus-building among the UNDG partners at the field level.

113. In its decision 99/23, the Executive Board approved a capital reserve for the United Nations House programme at the level of $3.8 million. It is anticipated that for the biennium 2002-2003, UNDP will not require any additional funding for the implementation of United Nations Houses as it is expected that the available balance in the reserve will be sufficient. However, an amount of $ 0.5 million was made available from the 2000-2001support budget for the planning and assessment of new United Nations Houses. The same amount has been budgeted for 2002-2003.

4. Cost-recovery

114. The issue of contributions for support services relating to other programme resources and in turn to the support budget of the organization has been given high priority for the new biennium. The UNDP standard trust fund and third-party cost-sharing agreements were revised in mid-2000 and now reflect a range from 3 to 5 per cent against the contributions to cover the additional costs incurred by UNDP, up from the norm of 3 per cent. This new approach is expected to generate an

amount of approximately $12 million in additional resources in the 2002-2003 biennium as a contribution towards the overall corporate costs.

115. Parallel to the new cost-recovery approach for operational support services provided to other United Nations organizations at the programme-country level, mentioned in paragraph 91, support services to UNDP-associated funds have also been reviewed and new cost-recovery arrangements are being introduced or prepared as appropriate. An estimated $10 million is expected for the biennium. In the case of UNV, a small percentage of the pro forma costs of each UNV volunteer fielded to a specific country is being reimbursed to the host UNDP country office. New guidelines for the reimbursement of country-office services to UNIFEM and UNCDF are expected to be introduced by the end of 2001.

5. After-service health insurance

116. In order to gain a better understanding of the financial dimensions of the organization's liabilities for after-service health insurance, and in cooperation with the United Nations and UNICEF, a consulting actuary was engaged in 2000 for an actuarial valuation. The study indicated an estimated liability of $313 million for UNDP, UNOPS and UNFPA.

117. The estimated liability is yet to be split between the three organizations. A second study is underway by the same actuary with the objective of proposing alternatives to the funding of this estimated liability as well as to the split between the three organizations.

118. Meanwhile, as a prudent st[illegible], UNDP initiated in its financial records for the year ended 31 December 2000, an accounting accrual of $27 million against its miscellaneous expenditure. The annual expenditure for the year 2001 onward will depend on the result of the funding study referred to above. Because of the uniqueness of this matter, it is the intention of UNDP to charge this expenditure against the Miscellaneous expenditure line and not against the Support budget.

6. Staff security

119. At the fifty-fifth session of the General Assembly, the Secretary-General proposed a package of measures to strengthen the safety and security of all United Nations staff at the country level. The Fifth Committee decided that this be budgeted in the United Nations regular budget but recovered through cost-sharing among the organizations. Subsequently, the Task Force on Staff Safety and Security, chaired by the Deputy Secretary-General, requested that the principals of UNDP, UNHCR, UNICEF and WFP consult with Member States on their willingness to review the decision of the Fifth Committee, while at the same time elaborating on a simplified cost-sharing formula.

120. Against this background, a series of consultations have been undertaken by the individual organizations. This has included UNHCR and WFP consulting with their governing boards and a series of meetings with donor countries. At the initiative of the Deputy Secretary-General, OCHA organized a meeting of the Humanitarian Liaison Working Group (HLWG) in New York on 2 May 2001.

121. At the HLWG, Member States expressed support for the notion of an assured funding base for staff-security costs but noted that this did not necessarily mean that it be included in the United Nations regular budget. Other Member States expressed a varying degree of recognition of the need for assured funding for staff security. In concluding remarks at the HLWG, drawing on the statements made by various HLWG members, participating United Nations organizations were

requested to prepare a comprehensive proposal covering staff safety and security costs borne by organizations and to indicate how it compares with the Secretary-General's proposal.

122. In cooperation with other United Nations organizations in the development of a comprehensive proposal, UNDP is bearing in mind that since it is a field based organization, it will need to cover the additional staff security needs over and above the global minimum critical staff safety and security structure.

123. As described in paragraph 56 (c), all security-related costs are grouped under the centrally managed component of Programme support – country offices. The base allocation amounts to $8.7 million, with an additional $4.4 million provided as a priority investment to respond to the increasing needs in this area. The total allocation for 2002-2003 will be $13.1 million.

124. In conclusion, UNDP stands fully behind the proposal made by the Secretary-General and believes it represents a minimum critical structure required for an effective staff safety and security system for the United Nations work worldwide. As such, the staff security function should be accepted as a core responsibility of the United Nations towards its staff globally.

7. Estimated income to the budget

125. Contributions received from host Governments towards local office costs and the income UNV derives from providing volunteers to United Nations organization are covered under the sections: Programme support - country offices and Support to operational activities of the United Nations respectively.

126. The 2002-2003 support budget will continue to incorporate an offset of support budget resources required to refund staff members for income taxes levied by Member States in respect of income derived from the organization. This offset is based on the rationalization that UNDP as a voluntary organization does not have a tax-equalization fund similar to that of the United Nations Secretariat. Amounts reimbursed by UNDP are therefore directly charged to the support budget and thereby to the voluntary contributions as a whole, without any corresponding offset. UNDP continues to believe that the accounting linkage with voluntary contributions of Member States that collect such income tax allows for a more appropriate presentation of net biennial budget costs; both ACABQ and the Board have endorsed this approach. This will continue to entail, similar to the accounting linkage for programme countries under GLOC, a portion of the voluntary contributions of the countries concerned and equivalent to the amount of income taxes reimbursed, to be shown as an income to the biennial budget. For 2002-2003, an amount of $12.0 million will be shown as income to the support budget, representing an increase of $1.0 million from the 2000-2001 support budget, based on actual expenditures.

III. PROPOSALS FOR THE 2002-2003 BIENNIAL SUPPORT BUDGETS - FUNDS

A. General

127. As stated in paragraph 2, the Administrator also includes in his proposals the distinct appropriations for the resources of the funds that UNDP administers and which the Executive Board approves separately. The funds administered by UNDP that are covered under this section are UNCDF and UNIFEM. These funds receive contributions independently that cover both regular and other resources.

128. The budget estimates for these funds are presented in line with the harmonization of budgets and follow the same terminology and methodology as the UNDP support budget. For each of the funds, a resource plan is provided that is basically similar to that of UNDP, covering programmes, programme support, and management and administration. Also included are their respective staffing and financial tables. In presenting his proposals for the 2002-2003 support budget for the funds, the Administrator has taken into account their respective staffing and operating requirements.

B. United Nations Capital Development Fund

129. The UNCDF Business Plans 2001-2002 has been the basis for the development of the 2002-2003 support budget, which ensures that the key strategic objectives and initiatives are achieved. The budget proposal is aligned with the results that UNCDF expects to produce in two areas of concentration: micro-finance and local governance. In developing the 2002-2003 support budget, UNCDF has adopted the position that the proposed budget should not exceed the 2000-2001 level and that additional costs should be funded through other resources based on cost -recovery.

130. UNCDF has generally maintained the level of operational costs at the 2000-2001 level. Small increases, however, are included for intensified activities dealing with the performance of resource mobilization; monitoring and preparatory visits to the field for the forthcoming UNCDF impact evaluation; participation in outreach and policy meetings by the Special Unit for Micro Finance; and learning. An increase of two posts over the last biennium is the result of: (a) the transfer back to UNCDF of three posts in the finance function that had been seconded to UNDP (there will be no increase in costs as there is a corresponding reduction in the reimbursements line); and (b) the more appropriate placement of one technical advisor post in local governance in the UNCDF Technical Support Services Funding Facility.

131. The UNCDF Technical Support Services Funding Facility will operate on a cost-recovery basis and will be piloted over a period of two years starting in October 2001. While premises and other management-support costs relating to the management of the staff funded under this facility will be supported by the UNCDF biennial support budget, their travel costs will be directly billed to the projects or organizations to which they will be providing services. The cost of all technical support services provided outside the UNCDF portfolio will be recovered. This experiment will be reviewed on a regular basis to verify that the cost-recovery approach works and that the facility is replenished on a revolving basis.

132. Over and above the 2002-2003 biennial support budget, there will be additional costs relating to the performance of key UNCDF functions that will require a special funding approach as follows:

(a) *Positioning UNCDF as a centre of excellence within the micro-finance community.* When the Special Unit for Micro-finance (SUM) was transferred to UNCDF two years ago, the assumption was that SUM would continue to perform all of its functions, including its policy and technical support functions vis-à-vis UNDP. This assumption, however, was made without taking full account of the budgetary implications. To ensure its stability, the SUM will continue in 2002-2003 with 11 positions: 5 financed through the UNCDF biennial support budget, and 6 financed under the UNCDF Technical Support Services Funding Facility;

(b) *Enlarging the technical advisory role of the Local Governance Unit in the planning and piloting of local governance operations.* The demand for technical support services provided by the UNCDF Local Governance Unit is growing and is likely to continue to do so following the recent

Cape Town Symposium on decentralization and local governance. Consistent with the recommendation for its 1999 external evaluation, UNCDF has decided to strengthen its technical capacities. The Local Governance Unit will finance the services of three technical advisors at the ALD-5 level. While cost-recovery would apply to services provided by them outside the UNCDF portfolio, the cost of their services to UNCDF-funded projects will be accounted for and recorded as an additional contribution to these projects. This should be seen as a simple accounting formula for internal cost-recovery;

(c) *Preparing for the impact evaluation of UNCDF programmes and projects.* In preparation for the forthcoming impact evaluation (2002-2003) of its programmes and operations, UNCDF technical support capacity in the area of evaluation will have to be strengthened. UNCDF has therefore decided to finance one evaluation position at the ALD-3 level.

133. The proposed distribution of posts under the 2002-2003 support budget is presented in summary table V (b). UNCDF believes that this staffing structure is necessary to reach the goals discussed above. Resultant costs are incorporated in summary table V(a). The UNCDF resource plan for 2000-2003 is provided in table 11, which covers both regular and other resources. Income projections for the 2000-2001 biennium have not been adjusted and UNCDF remains optimistic that a level of $88.2 million will be achieved. The income projection for the 2002-2003 biennium is estimated at $71 million, reflecting a decrease of 19 per cent.

Table 11. UNCDF resource plan

	2000-2001				2002-2003			
	Donor resources				Donor resources			
	Regular resources	Other resources (Donor co-financing)	Total donor resources		Regular resources	Other resources (Donor co-financing)	Total donor resources	
Resources available	$	$	$	%	$	$	$	%
Opening balance [a]	66.6	3.0	69.6		66.6	1.9	70.5	
Income								
Contributions	72.0	3.0	75.0		56.0	5.0	61.0	
Other [b]	13.2	-	13.2		10.0	-	10.0	
Total	171.8	6.0	177.8		134.6	6.9	141.5	
Use of resources - Programme and support activities								
A. Programmes [c]	89.6	4.1	93.7	87.3	63.0	5.0	68.0	83.3
B. Programme support								
1. Country offices	0.6	-	0.6	0.6	-	-	-	-
2. Headquarters	7.1	-	7.1	6.6	7.2	-	7.2	8.8
Total programme support	7.7	-	7.7	7.2	7.2	-	7.2	8.8
C. Management and administration	5.9	-	5.9	5.5	6.4	-	6.4	7.8
Total	103.2	4.1	107.3	100.0	76.6	5.0	81.6	100.0
Closing balance	68.6	1.9	70.5		58.0	1.9	59.9	
Biennial support budget								
Total gross budget estimates	13.6	-	13.6		13.6	-	13.6	

[a] Includes $45.0 million in 2000-2001 and $35.0 million in 2002-2003 of the required operational reserves
[b] Includes interest and miscellaneous income
[c] Includes administrative and operational support

/...

C. United Nations Development Fund for Women

134. In its decision 2000/7 the Executive Board endorsed the programme focus, strategies and targets set out in the Strategy and Business Plan, 2000-2003, of UNIFEM. The 2002-2003 biennial support budget has been formulated to support the implementation of the Strategy and Business Plan and the attainment of the objectives set therein. In pursuing these objectives, UNIFEM has adopted results-based management principles and has been reporting accordingly to the Board since 1998. Its resource planning is in line with the overall thrust of the MYFF and the resource mobilization targets set out in its Strategy and Business Plan.

135. The income projections for 2002-2003 as provided in table 12 envisage a yearly increase of 10 per cent for regular resources based on actual 2000 receipts. This reflects a continuation of the actual income growth trend of the 2000-2001 biennium. A higher growth rate is projected for other resources to account for the growing effectiveness of UNIFEM in mobilizing earmarked government and private-sector contributions to its programme. The combined resources reflect a yearly increase approaching 20 per cent.

136. Projected expenditures are in line with programme growth and are well within income projections. UNIFEM targets maintain a programme delivery rate of at least 85 per cent. Improvements introduced in programme and financial management have resulted in a steady increase in delivery rates from 71 per cent in 1998 to 87 per cent in 2000. Against this background, the biennial support budget estimates for 2002-2003 amount to $12.3 million. This is reflected in table VI (a).

137. The proposed distribution of posts presented in summary table VI (b) is in line with the growth of the UNIFEM programme and responds to the decentralization process in UNDP. Three posts represent a transfer of posts and functions from UNDP with no incremental cost to UNIFEM. Following Executive Board decision 97/4, and in light of the recommendation of the UNIFEM Consultative Committee that the Fund strengthen its programming and operational systems and capacities, two posts have been established through which UNIFEM has been allowed to expand its operations to the Eastern Europe, Central Europe and Commonwealth of Independent States region.

138. That one professional post and one support service post are being funded from regular resources reflects the reinstatement, under the UNIFEM budget, of posts covering the financial and information management assistant functions. One support service post has been reinstated under other resources. These functions were outsourced to UNDP from UNIFEM and consequently accounted for under the expenditure line reimbursement/contributions. This expenditure is accordingly reduced. At its forty-first session in January 2001, the UNIFEM Consultative Committee proposed to establish an additional post of Deputy Director for Programmes at the D-1 level to relieve the Executive Director of direct supervisory functions of UNIFEM programmes and to strengthen oversight operations. The existing Deputy Director post at the D-1 level will now focus on management in its operational dimensions. In line with Executive Board decision 97/4, UNIFEM has been operating in the Eastern Europe, Central Europe and Commonwealth of Independent States region since 1998. Coverage of this region has been assured by diverting staff from other programme activities. It is proposed to establish a post at the P-5 level so that coverage of this region will be on par with that of other geographic areas. The incremental costs for these three posts have been partly offset by reductions under other appropriation lines and the transfer of one P-4 post to other resources.

139. Under other resources, the proposal is in line with projected programme growth. Provision is made for the creation of a post at the P-4 level for a learning and evaluation officer, as

recommended by the UNIFEM Consultative Committee. Provision is also made for four posts for secretarial, programme and human resource assistants to respond to the growing need to backstop the expanding programme of UNIFEM activities and to the transfers mentioned in the above paragraph.

140. Recognizing that it is responding to ever-increasing demands and circumstances, UNIFEM would benefit from the opportunity to maximize resources for posts, consultants and other staff costs by managing them on a pool basis. Doing so would allow UNIFEM to respond flexibly to changing staffing requirements at any point in time.

141. In accordance with paragraph 12 of General Assembly resolution 39/125, the Consultative Committee of UNIFEM reviewed and endorsed the proposed biennial budget for the administrative costs of the Fund prior to its submission to the UNDP/UNFPA Executive Board.

Table 12. UNIFEM resource plan

	2000-2001				2002-2003			
	Donor resources				Donor resources			
Resources available	Regular resources	Other resources (Donor co-financing)	Total donor resources		Regular resources	Other resources (Donor co-financing)	Total donor resources	
	$	$	$	%	$	$	$	%
Opening balance[a]	15.6	10.2	25.8		13.7	3.2	16.9	
Income								
Contributions	43.0	16.7	59.7		45.1	25.7	70.8	
Other[b]	3.2	2.4	5.6		3.7	2.7	6.4	
Total	61.8	29.3	91.1		62.5	31.6	94.1	
Use of resources - Programme and support activities								
A. Programmes[c]	36.5	24.2	60.7	81.8	38.4	26.9	65.3	80.8
B. Programme support								
1. Country offices	-	-	-	-	-	0.7	0.7	0.9
2. Headquarters	6.1	1.9	8.0	10.8	6.8	2.3	9.1	11.3
Total programme support	6.1	1.9	8.0	10.8	6.8	3.0	9.8	12.1
C. Management and administration	5.5	-	5.5	7.4	5.5	0.2	5.7	7.1
Total	48.1	26.1	74.2	100.0	50.7	30.1	80.8	100.0
Closing balance	13.7	3.2	16.9		11.8	1.5	13.3	
Biennial support budget								
Total gross budget estimates	11.6	1.9	13.5		12.3	3.2	15.5	

[a] Includes the $8.7 million of the required operational reserve.
[b] Includes interest and miscellaneous income.
[c] Includes administrative and operational support.

IV. DRAFT APPROPRIATION DECISION - UNDP

142. The Executive Board may wish to adopt the following decision:

The Executive Board,

1. *Takes note* of the report of the Administrator on the biennial support budget estimates for the biennium 2002-2003, which is an integral part of the integrated resources framework of the multi-year funding framework as contained in document DP/2001/21;

2. *Takes note* of the proposals of the Administrator on the financial framework and the related UNDP resource plan as contained in paragraphs 3 to 11 of document DP/2001/21;

3. *Takes note* of the report of the Administrator on the improved performance by host country Governments in meeting their contributions towards local office costs and encourages all host country Governments to meet their obligations in full;

4. *Takes note* of the report by the Administrator on the revised proportion of cost at the country office level attributed to support of the operational activities of the United Nations system;

5. *Takes note* of the proposals by the Administrator on human resources management as contained in paragraphs 101 to 103 of document DP/2001/21;

6. *Takes note* of the proposals by the Administrator on information and communications technology as contained in paragraphs 104 to 109 of document DP/2001/21; and *approves* the request of the Administrator to set aside $11.4 million as a transitional reserve by a charge against the general balance of resources that could be offset by savings in the current budget;

7. *Takes note* of the proposal of the Administrator of after service health insurance as contained in paragraphs 116 to 118 of document DP/2001/21;

8. *Takes note* of the report of the proposal of the Administrator on UNDP provision for security of staff as contained in paragraph 119 to 124 of document DP/2001/21;

9. *Approves* gross appropriations in the amount of $566,889,700 for the purposes indicated below and resolves that the income estimates of $64,327,000 should be used to offset the gross appropriations, resulting in estimated net appropriations of $502,562,700.

10. *Authorizes* the Administrator to redeploy resources between appropriations lines up to a maximum of 5 per cent of the appropriation line to which the resources are redeployed.

2002-2003 biennial support budget
(Thousands of United States dollars)

Programme support		
Country office		273 781.1
Headquarters		62 356.0
	Subtotal	336 137.1
Management and administration		116 457.7
Support to the operational activities of the United Nations		
Country offices		81 778.8
United Nations Development Group Office		2 700.9
Inter Agency Procurement Services Office		1 112.7
United Nations Volunteers		28 702.4
	Subtotal	124 294.8
Total gross appropriations		566 889.7
Less Estimated income		64 327.0
Estimated net appropriations		502 562.7

V. DRAFT APPROPRIATION DECISIONS - FUNDS

143. The Executive Board may wish to adopt the following decision:

The Executive Board,

1. *Takes note* of the report of the Administrator on the biennial support budget estimates for the biennium 2002-2003 for the United Nations Capital Development Fund and the United Nations Development Fund for Women as contained in document DP/2001/21;

2. *Approves* gross appropriations for each of the funds as follows;

2002-2003 biennial support budget
(Thousands of United States dollars)

	UNCDF	UNIFEM
Total Appropriations	13 658.5	12 337.5

SUMMARY TABLES

Summary table I. Proposed gross budget estimates by organizational unit within appropriation line and estimated income to the budget, 2002-2003
(thousands of United States dollars)

APPROPRIATION LINE/ORGANIZATIONAL UNIT	2000-2001 APPROVED APPROPRIATION (DP/1999/31)	2000-2001 READJUSTED BASED ON NEW WORKLOAD STUDY (23%)	VOLUME AMOUNT	VOLUME %	COST	2002-2003 ESTIMATES
A. PROGRAMME SUPPORT						
1. Country offices						
Africa	95 929.2	101 186.6	(11 530.9)	(11.4)	180.9	89 836.6
Arab States	30 537.8	32 211.2	(5 626.2)	(18.1)	805.9	27 190.8
Asia and the Pacific	50 185.9	52 914.8	(5 484.8)	(10.4)	945.9	48 375.8
Latin America and the Caribbean	40 806.3	43 042.2	(5 466.7)	(12.7)	(179.4)	37 396.1
Europe and the Commonwealth of Independent States	29 588.9	31 210.2	(2 585.4)	(8.3)	3 088.4	31 713.2
Country offices - Central	25 313.8	26 700.9	6 649.1	24.9	5 919.7	39 269.7
Subtotal programme support / country offices	272 342.0	287 264.8	(24 245.0)	(8.4)	10 781.4	273 781.2
2. Headquarters						
Operations Support Group	3 381.3	3 381.3	(137.8)	(4.1)	(299.5)	2 944.0
Emergency Response Division	1 895.9	1 895.9	0.5	0.0	89.6	1 986.0
Regional Bureau for Africa	11 744.5	11 744.5	(776.7)	(6.6)	763.2	11 732.0
Regional Bureau for Arab States	4 460.8	4 460.8	(450.8)	(10.1)	227.3	4 237.3
Regional Bureau for Asia and the Pacific	7 045.6	7 045.6	(123.8)	(1.8)	350.4	7 272.3
Regional Bureau for Latin America and the Caribbean	4 170.7	4 170.7	(333.8)	(8.0)	379.5	4 218.8
Regional Bureau for Europe and the Commonwealth of Independent States	4 348.7	4 348.7	41.1	0.9	490.8	4 878.5
Bureau for Development Policy	12 122.3	12 122.3	(279.0)	(2.3)	1 925.2	13 768.5
Special Unit for TCDC	3 643.9	3 643.9	(930.2)	(25.5)	384.8	3 098.5
Headquarters - Central	6 882.7	6 882.7	954.7	13.9	384.9	8 222.4
Subtotal programme support / headquarters	59 694.4	59 694.4	(2 034.4)	(3.4)	4 696.1	82 356.1
Total programme support	332 036.4	346 959.2	(26 279.5)	(7.6)	15 457.5	356 137.3
B. MANAGEMENT AND ADMINISTRATION						
Office of Administrator/Associate Administrator	4 600.4	4 600.4	(130.9)	(2.3)	237.8	4 707.2
Evaluation Office	2 727.8	2 727.8	(320.2)	(11.7)	133.1	2 540.5
Office of Audit and Performance Review - Headquarters	3 764.1	3 764.1	(20.5)	(0.5)	(320.0)	3 423.6
Office of Audit and Performance Review - Country offices	7 111.8	7 111.8	(81.0)	(1.1)	770.8	7 801.2
Bureau for Resources and Strategic Partnerships	15 728.6	15 728.6	(143.6)	(0.9)	231.0	15 816.1
Communications Office	8 270.5	8 270.5	(115.2)	(1.4)	656.0	8 811.3
Bureau of Management	39 996.8	39 996.8	(4 115.9)	(10.3)	3 060.8	38 961.8
Headquarters - Central	28 561.0	28 561.0	(1 918.5)	(6.7)	525.6	27 168.1
Country offices - Central	6 433.3	6 433.3	94.2	1.5	700.7	7 228.1
Total management and administration	117 193.8	117 193.8	(6 751.8)	(5.8)	6 015.8	116 457.7
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS						
Country offices	100 729.2	85 808.4	(7 242.0)	(8.4)	3 214.4	81 778.8
United Nations Development Group Office	2 583.1	2 583.1	2.1	0.1	115.7	2 700.8
Inter-Agency Procurement Services Office	3 601.1	3 601.1	(2 065.8)	(57.4)	(422.6)	1 112.7
United Nations Volunteers	29 228.2	29 228.2	(767.3)	(2.6)	241.5	28 702.4
Total support to operational activities of the United Nations	136 141.8	121 218.8	(10 072.9)	(8.3)	3 148.9	114 294.7
GROSS RESOURCES	585 371.8	585 371.8	(43 104.0)	(7.4)	24 622.0	566 889.7
ESTIMATED INCOME	(67 127.0)	(67 127.0)	2 800.0	(4.2)		(64 327.0)
NET RESOURCES	518 244.8	518 244.8	(40 304.0)	(7.8)	24 622.0	502 562.7

Summary table II. Proposed gross budget estimates by expenditure category within appropriation line, 2002-2003
(thousands of United States dollars)

APPROPRIATION LINE/EXPENDITURE CATEGORY	2000-2001 APPROVED APPROPRIATION (DP/1999/31)	2000-2001 READJUSTED BASED ON NEW WORKLOAD STUDY (23%)	VOLUME AMOUNT	%	COST	2002-2003 ESTIMATES
A. PROGRAMME SUPPORT						
1. Country offices						
Posts	198 023.0	208 873.6	(16 599.5)		4 145.2	196 419.3
Other staff cost	4 346.6	4 584.7	(1 865.7)		66.4	2 785.4
Consultants	504.8	532.5	(128.7)		57.1	460.9
Travel	6 127.2	6 463.0	(944.5)		(14.5)	5 504.0
Operating expenses	50 367.1	53 126.9	(1 917.8)		2 197.5	53 406.6
Furniture and equipment	12 744.1	13 442.4	(5 935.1)		399.2	7 906.4
Reimbursements/contributions	229.2	241.7	3 146.3		3 910.8	7 298.8
Subtotal programme support / country offices	272 342.0	287 264.8	(24 245.0)	(8.4)	10 761.4	273 781.2
2. Headquarters						
Posts	48 626.7	48 626.7	(1 953.8)		4 004.9	48 677.7
Other staff costs	576.3	576.3	(30.7)		29.0	574.7
Consultants	1 140.8	1 140.8	(60.8)		57.8	1 137.8
Travel	2 915.4	2 915.4	(581.2)		124.4	2 458.7
Operating expenses	7 050.9	7 050.9	666.5		410.6	8 128.0
Furniture and equipment	1 384.3	1 384.3	(74.8)		69.5	1 379.3
Reimbursements/contributions	0.0	0.0	0.0		0.0	0.0
Subtotal programme support / headquarters	59 694.4	59 694.4	(2 034.5)	(3.4)	4 696.1	62 356.0
B. MANAGEMENT AND ADMINISTRATION						
Posts	65 801.4	65 801.4	(4 533.8)		3 771.2	65 038.9
Other staff cost	2 535.6	2 535.6	(115.0)		67.8	2 488.4
Consultants	3 829.4	3 829.4	(143.0)		107.5	3 793.9
Travel	3 054.6	3 054.6	(319.5)		102.7	2 837.8
Operating expenses	29 307.9	29 307.9	(2 035.4)		1 271.8	28 544.3
Furniture and equipment	1 785.8	1 785.8	(104.8)		88.2	1 749.1
Reimbursements/contributions	10 898.9	10 898.9	500.0		606.3	12 005.2
Subtotal management and administration	117 193.6	117 193.6	(6 751.5)	(5.8)	6 015.8	116 457.7
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS						
Posts	96 622.5	85 771.9	(5 885.7)		1 304.7	81 190.9
Other staff costs	1 999.5	1 731.3	(547.6)		(18.6)	1 165.1
Consultants	1 637.9	1 610.3	(999.9)		(127.7)	482.7
Travel	3 216.3	2 880.6	(483.1)		(63.8)	2 333.6
Operating expenses	23 759.0	20 999.1	(280.6)		544.5	21 263.0
Furniture and equipment	5 735.4	5 037.1	(2 310.0)		205.0	2 932.0
Reimbursements/contributions	3 201.0	3 188.4	434.0		1 305.0	4 927.4
Subtotal support to operational activities of the United Nations	136 141.8	121 218.7	(10 072.9)	(8.3)	3 148.9	114 294.8
TOTAL						
Posts	407 073.6	407 073.6	(28 972.7)	(7.1)	13 226.0	391 121.7
Other staff cost	9 428.0	9 428.0	(2 559.0)	(27.1)	144.8	7 013.8
Consultants	7 113.0	7 113.0	(1 332.3)	(18.7)	94.5	5 875.1
Travel	15 313.6	15 313.6	(2 326.4)	(15.2)	148.8	13 330.1
Operating expenses	110 484.8	110 484.8	(3 567.2)	(3.2)	4 424.4	111 656.0
Furniture and equipment	21 629.6	21 629.6	(8 424.5)	(38.9)	781.9	13 986.9
Reimbursements/contributions	14 329.1	14 329.1	4 080.2	28.5	5 821.9	23 917.3
TOTAL GROSS APPROPRIATIONS	585 371.6	585 371.6	(43 103.9)	(7.4)	24 822.0	566 869.7
ESTIMATED INCOME	(67 127.0)	(67 127.0)	2 800.0	(4.2)		(64 327.0)
NET RESOURCES	518 244.6	518 244.6	(40 303.9)	(7.8)	24 822.0	502 562.7

Summary table III. Estimated distribution of posts by source of funds and organizational unit, 2002-2003

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
A. Programme support											
1. Country offices											
Africa											
2000-2001											
Regular resources		11	30	41	33	9	2	126	214	1026	1366
Other resources related to programme						1		1	34	156	191
Total	-	11	30	41	33	10	2	127	248	1182	1557
2002-2003											
Regular resources		11	30	41	31	12	2	127	168	746	1041
Other resources related to programme						1		1	48	188	237
Total	-	11	30	41	31	13	2	128	216	934	1278
Arab States											
2000-2001											
Regular resources		4	10	12	7	4		37	47	217	301
Other resources related to programme						3		3	12	162	177
Total	-	4	10	12	7	7	-	40	59	379	478
2002-2003											
Regular resources		4	10	12	7	6		39	43	162	244
Other resources related to programme						3		3	32	189	224
Total	-	4	10	12	7	9	-	42	75	351	468
Asia and the Pacific											
2000-2001											
Regular resources		10	12	26	22	7		77	119	572	768
Other resources related to programme					1	1		2	35	134	171
Total	-	10	12	26	23	8	-	79	154	706	939
2002-2003											
Regular resources		10	12	24	20	9		75	89	415	579
Other resources related to programme					1	1		2	67	165	234
Total	-	10	12	24	21	10	-	77	156	580	813
Latin America and the Caribbean											
2000-2001											
Regular resources		3	15	15	8	1		42	58	279	379
Other resources related to programme				5	1	1		7	71	297	375
Total	-	3	15	20	9	2	-	49	129	576	754
2002-2003											
Regular resources		3	15	15	8	3		44	49	208	301
Other resources related to programme			1	5	1	1		8	89	293	390
Total	-	3	16	20	9	4	-	52	138	501	691
Europe and the Commonwealth of Independent States											
2000-2001											
Regular resources		1	14	10	17			42	69	302	413
Other resources related to programme								-	5	38	43
Total	-	1	14	10	17	-	-	42	74	340	456
2002-2003											
Regular resources		1	15	10	16	2		44	62	245	351
Other resources related to programme								-	30	94	124
Total	-	1	15	10	16	2	-	44	92	339	475
Country offices - Central											
2000-2001											
Regular resources			8	24	14	9	3	58	32	44	134
Other resources related to programme				2		1		3	14	54	71
Total	-	-	8	26	14	10	3	61	46	98	205
2002-2003											
Regular resources			3	2	18	5	-	26	55	97	178
Other resources related to programme				2		1		3	14	54	71
Total	-	-	3	4	16	6	-	29	69	151	249
Total: A.1 Programme support - Country offices											
2000-2001											
Regular resources	-	29	89	129	101	30	5	382	539	2440	3361
Other resources related to programme	-	-	-	7	2	7	-	16	171	841	1028
Total - A.1	-	29	89	135	103	37	5	398	710	3281	4389
2002-2003											
Regular resources	-	29	85	104	98	37	2	355	468	1873	2694
Other resources related to programme	-	-	1	7	2	7	-	17	280	983	1280
Total - A.1	-	29	86	111	100	44	2	372	748	2856	3974

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above									GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
2. Headquarters											
Operations Support Group											
2000-2001											
Regular resources		1		4	1			6		4	10
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	-	4	1	-	-	6	-	4	10
2002-2003											
Regular resources		1		3	1			5		4	9
Other resources related to programme					1			1			1
Other resources related to reimbursement								-			-
Total	-	1	-	3	2	-	-	6	-	4	10
Emergency Response Division											
2000-2001											
Regular resources		1	2	-				3		3	6
Other resources related to programme				2		1		3		1	4
Other resources related to reimbursement								-		1	1
Total	-	1	2	2	-	1	-	6	-	5	11
2002-2003											
Regular resources		1	2	-				3		3	6
Other resources related to programme				2		1		3		1	4
Other resources related to reimbursement								-		1	1
Total	-	1	2	2	-	1	-	6	-	5	11
Regional Bureau for Africa											
2000-2001											
Regular resources	1	2	5	8	3			19		20	39
Other resources related to programme					1			1		1	2
Other resources related to reimbursement								-			-
Total	1	2	5	8	4	-	-	20	-	21	41
2002-2003											
Regular resources	1	2	5	8	2			18		19	37
Other resources related to programme					2	1		3		2	5
Other resources related to reimbursement								-			-
Total	1	2	5	8	4	1	-	21	-	21	42
Regional Bureau fro Arab States											
2000-2001											
Regular resources	1	1	2	2	1			7		8	15
Other resources related to programme			1	2	3			6		2	8
Other resources related to reimbursement								-			-
Total	1	1	3	4	4	-	-	13	-	10	23
2002-2003											
Regular resources	1	1	2	2	1			7		6	13
Other resources related to programme			1	4	1	1		7		1	8
Other resources related to reimbursement								-			-
Total	1	1	3	6	2	1	-	14	-	7	21
Regional Bureau for Asia and the Pacific											
2000-2001											
Regular resources	1	1	2	3	4	1		12		12	24
Other resources related to programme						1	1	2		1	3
Other resources related to reimbursement								-			-
Total	1	1	2	3	4	2	1	14	-	13	27
2002-2003											
Regular resources	1	1	2	4	3	1		12		11	23
Other resources related to programme					1		1	2		1	3
Other resources related to reimbursement								-			-
Total	1	1	2	4	4	1	1	14	-	12	26
Regional Bureau for Latin America and the Caribbean											
2000-2001											
Regular resources	1	1	2	1		2	-	7		7	14
Other resources related to programme			2	4		3	-	9		4	13
Other resources related to reimbursement							-	-			-
Total	1	1	4	5	-	5	-	16	-	11	27
2002-2003											
Regular resources	1	1	2	-	1	1	-	6		7	13
Other resources related to programme			1	5	3		-	9		4	13
Other resources related to reimbursement							-	-			-
Total	1	1	3	5	4	1	-	15	-	11	26

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Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above								National Prof.	GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Regional Bureau for Europe and the Commonwealth of Independent States											
2000-2001											
Regular resources	1	1	2	2	2			8		8	16
Other resources related to programme				1	2			3		3	6
Other resources related to reimbursement								-			-
Total	1	1	2	3	4	-	-	11	-	11	22
2002-2003											
Regular resources	1	1	2	2	2			8		8	16
Other resources related to programme				1	2			3		3	6
Other resources related to reimbursement								-			-
Total	1	1	2	3	4	-	-	11	-	11	22
Bureau for Development Policy											
2000-2001											
Regular resources	1	4	7	2	5			19		22	41
Other resources related to programme		1	6	14	6	3		30		17	47
Other resources related to reimbursement					1			1		1	2
Total	1	5	13	16	12	3	-	50	-	40	90
2002-2003											
Regular resources	1	4	5	5	4	1		20		20	40
Other resources related to programme		2	7	16	9	3	2	39		20	59
Other resources related to reimbursement							1	1		1	2
Total	1	6	12	21	13	4	3	60	-	41	101
Special Unit for TCDC											
2000-2001											
Regular resources		1	1	1	4			7		7	14
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	1	4	-	-	7	-	7	14
2002-2003											
Regular resources		1	1	1	2	1		6		5	11
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	1	2	1	-	6	-	5	11
Total: A.2 Programme support - Headquarters											
2000-2001											
Regular resources	6	13	23	23	20	3	-	88	-	91	179
Other resources related to programme	-	1	9	23	12	8	1	54	-	29	83
Other resources related to reimbursement	-	-	-	-	1	-	-	1	-	2	3
Total - A.2	6	14	32	46	33	11	1	143	-	122	265
2002-2003											
Regular resources	6	13	21	25	18	4	-	86	-	83	169
Other resources related to programme	-	2	9	28	19	6	3	67	-	32	99
Other resources related to reimbursement	-	-	-	-	-	-	1	1	-	2	3
Total - A.2	6	15	30	53	36	10	4	153	-	117	270
Total: A. Programme support											
2000-2001											
Regular resources	6	42	112	151	121	33	5	470	539	2531	3540
Other resources related to programme	-	1	9	30	14	15	1	70	171	870	1111
Other resources related to reimbursement	-	-	-	-	1	-	-	1	-	2	3
Total - A	6	43	121	181	136	48	6	541	710	3403	4654
2002-2003											
Regular resources	6	42	106	129	114	41	2	440	488	1956	2882
Other resources related to programme	-	2	10	35	21	13	3	84	260	1015	1379
Other resources related to reimbursement	-	-	-	-	-	-	1	1	-	2	3
Total - A	6	44	116	164	136	54	6	525	748	2973	4244
B. Management and Administration											
Office of the Administrator/Associate Administrator											
2000-2001											
Regular resources	2		2	1				5		8	13
Other resources related to programme								-			-
Other resources related to reimbursement					2	1		3		2	5
Total	2	-	2	1	2	1	-	8	-	10	18
2002-2003											
Regular resources	2		2	1				5		7	12
Other resources related to programme					1	1		2		3	5
Other resources related to reimbursement					1			1			1
Total	2	-	2	1	2	1	-	8	-	10	18

Summary table III (continued)

Source of funds/ Organizational unit	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
Evaluation Office											
2000-2001											
Regular resources		1	1	3				5		3	8
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	3	-	-	-	5	-	3	8
2002-2003											
Regular resources		1	1	2				4		3	7
Other resources related to programme								-			-
Other resources related to reimbursement								-			-
Total	-	1	1	2	-	-	-	4	-	3	7
Office of Audit and Performance Review - Headquarters											
2000-2001											
Regular resources		1		1	3			5		5	10
Other resources related to programme					1			1			1
Other resources related to reimbursement				3	7	2		12		6	18
Total	-	1	-	4	11	2	-	18	-	11	29
2002-2003											
Regular resources		1		1	3			5		5	10
Other resources related to programme					2	1		3		1	4
Other resources related to reimbursement				3	6	1		10		5	15
Total	-	1	-	4	11	2	-	18	-	11	29
Office of Audit and Performance Review - Country offices											
2000-2001											
Regular resources				5	1			6	7	4	17
Other resources related to programme								-	1		1
Other resources related to reimbursement								-			-
Total	-	-	-	5	1	-	-	6	8	4	18
2002-2003											
Regular resources				5	1			6	7	4	17
Other resources related to programme								-	1		1
Other resources related to reimbursement								-			-
Total	-	-	-	5	1	-	-	6	8	4	18
Communications Office											
2000-2001											
Regular resources		1		4	4		1	10		10	20
Other resources related to programme						1		1			1
Other resources related to reimbursement								-			-
Total	-	1	-	4	4	1	1	11	-	10	21
2002-2003											
Regular resources		1		5	3	1	2	12		8	20
Other resources related to programme						1		1			1
Other resources related to reimbursement								-			-
Total	-	1	-	5	3	2	2	13	-	8	21
Bureau for Resources and Strategic Partnerships											
2000-2001											
Regular resources		2	6	8	3		-	19		22	41
Other resources related to programme			1	1	2	1		5		1	6
Other resources related to reimbursement				1	1		1	3		2	5
Total	-	2	7	10	6	1	1	27	-	25	52
2002-2003											
Regular resources		2	6	10	2		1	20		21	41
Other resources related to programme			1	1	3	1		6		1	7
Other resources related to reimbursement				1	1		1	3		2	5
Total	-	2	6	12	6	1	2	29	-	24	53
Bureau of Management											
2000-2001											
Regular resources	1	4	13	15	9	5	-	47		118	165
Other resources related to programme			1	2	1	2		6		11	17
Other resources related to reimbursement				7	17	15	4	43		80	123
Total	1	4	14	24	27	22	4	96	-	209	305
2002-2003											
Regular resources	1	4	12	14	9	6	4	50		94	144
Other resources related to programme			1	3	4	6	1	15		22	37
Other resources related to reimbursement			1	6	14	11	5	37		63	100
Total	1	4	14	23	27	23	10	102	-	179	281

Summary table III (continued)

Source of funds/ Organizational unit		International Professional category and above								National Prof.	GS and Other Categ.	Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Country offices - Central												
2000-2001												
Regular resources					1	1			2		1	3
Other resources related to programme									-			-
Other resources related to reimbursement									-			-
Total		-	-	-	1	1	-	-	2	-	1	3
2002-2003												
Regular resources					1	1			2		1	3
Other resources related to programme									-			-
Other resources related to reimbursement									-			-
Total		-	-	-	1	1	-	-	2	-	1	3
Total: B. Management and Administration												
2000-2001												
Regular resources		3	9	22	38	21	5	1	99	7	171	277
Other resources related to programme		-	-	2	3	4	4	-	13	1	12	26
Other resources related to reimbursement		-	-	-	11	27	18	5	61	-	99	161
	Total - B	3	9	24	52	52	27	6	173	8	279	464
2002-2003												
Regular resources		3	9	20	39	19	7	7	104	7	143	254
Other resources related to programme		-	-	2	4	10	10	1	27	1	27	55
Other resources related to reimbursement		-	-	1	10	22	12	6	51	-	70	121
	Total - B	3	9	23	53	51	29	14	182	8	240	430
C. Support to operational activities of the United Nations												
United Nations Development Group Office												
2000-2001												
Regular resources			1	1	1		1		4		6	10
Other resources related to programme							1		1			1
Other resources related to reimbursement									-			-
Total		-	1	1	1	-	2	-	5	-	6	11
2002-2003												
Regular resources			1	1	1		1		4		6	10
Other resources related to programme							1		1			1
Other resources related to reimbursement									-			-
Total		-	1	1	1	-	2	-	5	-	6	11
Inter-Agency Procurement Services Office												
2000-2001												
Regular resources				1	1	1			3		4	7
Other resources related to programme				1	2	2	1		6		31	37
Other resources related to reimbursement									-			-
Total		-	-	2	3	3	1	-	9	-	35	44
2002-2003												
Regular resources				1	-	-			1		1	2
Other resources related to programme				1	2		2	5	10		23	33
Other resources related to reimbursement									-			-
Total		-	-	2	2	-	2	5	11	-	24	35
United Nations Volunteers												
2000-2001												
Regular resources			1	2	6	9	6	1	27	80	107	194
Other resources related to programme				1		3	4	1	9		11	20
Other resources related to reimbursement									-			-
Total		-	1	3	6	12	10	2	36	80	118	214
2002-2003												
Regular resources			1	2	6	9	6	1	27	80	107	194
Other res. rel. to Prog.				1		3	4	1	9		11	20
Other rel. rel. to reimb.									-			-
Total		-	1	3	6	12	10	2	36	80	118	214
Total: C. Support to operational activities of the United Nations												
2000-2001												
Regular resources		-	2	4	10	10	7	1	34	88	117	211
Other resources related to programme		-	-	2	2	5	6	1	16	-	42	58
Other resources related to reimbursement		-	-	-	-	-	-	-	-	-	-	-
	Total - C	-	2	6	12	15	13	2	50	88	159	269
2002-2003												
Regular resources		-	2	4	9	9	7	1	32	88	114	288
Other resources related to programme		-	-	2	2	3	7	6	20	-	34	54
Other resources related to reimbursement		-	-	-	-	-	-	-	-	-	-	-
	Total - C	-	2	6	11	12	14	7	52	88	148	288

Summary table III (continued)

Source of funds/ Organizational unit		International Professional category and above								Nat. Prof.	GS and Other Categ.	Grand Total
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total			
Grand Total												
2000-2001												
Regular resources		9	53	138	199	152	45	7	603	606	2819	4028
Other resources related to programme		-	1	13	35	23	25	2	99	172	924	1195
Other resources related to reimbursement		-	-	-	11	28	18	5	62	-	92	154
	TOTAL	9	54	151	245	203	88	14	764	778	3835	5377
2002-2003												
Regular resources		9	53	130	177	142	56	10	578	533	2213	3322
Other resources related to programme		-	2	14	41	34	30	10	131	281	1076	1488
Other resources related to reimbursement		-	-	1	10	22	12	7	52	-	72	124
	TOTAL	9	55	145	228	198	97	27	759	814	3361	4934

Summary table IV (a). Other resource estimates by source of funds and organizational unit, 2002-2003

(thousands of United States dollars)

APPROPRIATION LINE/ ORGANIZATIONAL UNIT	2000-2001 ESTIMATES	INCREASE/ DECREASE	2002-2003 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Africa	6 403.5	4 731.1	11 134.6
Arab States	13 580.8	8 088.9	21 639.7
Asia and the Pacific	6 543.2	8 756.0	15 299.2
Latin America and the Caribbean	40 578.3	10 310.3	50 888.6
Europe and the Commonwealth of Independent States	3 088.2	7 819.6	10 917.8
Country offices - Central	6 566.0	(1 629.4)	4 936.6
Subtotal programme support / country offices	76 740.0	38 076.6	114 816.6
2. Headquarters			
Emergency Response Division	1 578.2	(513.9)	1 064.4
Regional Bureau for Africa	1 719.4	(157.5)	1 561.8
Regional Bureau for Arab States	1 724.8	1 185.4	2 910.2
Regional Bureau for Asia and the Pacific	1 327.5	510.3	1 837.8
Regional Bureau for Latin America and the Caribbean	5 499.8	892.0	6 391.8
Regional Bureau for Europe and the Commonwealth of Independent States	1 064.2	1 330.5	2 394.7
Bureau for Development Policy	23 793.9	7 730.2 *	31 434.1
Headquarters - Central	0.0	442.9	442.9
Subtotal programme support / headquarters	36 617.7	11 419.8	48 037.6
Subtotal programme support	113 357.7	49 496.4	162 854.2
B. MANAGEMENT AND ADMINISTRATION			
Office of Administrator/Associate Administrator	0.0	983.5	983.5
Office of Audit and Performance Review - Headquarters	349.0	641.5	990.5
Office of Audit and Performance Review - Country offices	104.9	5.6	110.4
Bureau for Resources and Strategic Partnerships	3 872.3	224.1	4 096.3
Communications Office	0.0	310.5	310.5
Bureau of Management	4 262.4	4 989.7	9 252.1
Headquarters - Central	0.0	537.7	537.7
Subtotal management and administration	8 588.5	7 692.6	16 281.1
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Country offices	0.0	298.5	298.5
United Nations Development Group Office	283.9	(248.2)	35.7
Inter-Agency Procurement Services Office	5 035.8	4 013.5	10 049.3
United Nations Volunteers	4 655.7	1 074.7	5 730.4
Subtotal support to operational activities of the United Nations	10 975.4	5 138.4	16 113.8
Subtotal: I - Other resources relating to programmes	132 921.7	62 327.4	195 249.1
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Bureau for Development Policy	414.5	(131.0)	283.5
Emergency Response Division	88.2	33.8	119.8
Office of Administrator/Associate Administrator	855.4	(592.8)	262.8
Office of Audit and Performance Review	2 590.2	833.2	3 463.4
Bureau for Resources and Strategic Partnerships	1 131.3	141.1	1 272.4
Bureau of Management	15 453.6	3 056.1	18 509.7
Headquarters - Central	5 209.6	(3 078.7)	2 130.9
Subtotal: II - Other resources relating to reimbursements	25 710.8	361.6	26 072.4
Grand total	158 632.4	62 689.1	221 321.5

*For 2002/2003 UNSO (b[illegible] $4.2m) has been incorporated in BDP

Summary table IV (b). Other resource estimates by source of funds and expenditure category, 2002–2003
(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2000 - 2001 ESTIMATES	INCREASE/ DECREASE	2002 - 2003 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES			
A. PROGRAMME SUPPORT			
1. Country offices			
Posts	50 099.0	14 191.5	64 290.4
Other staff cost	3 154.8	2 335.0	5 489.8
Consultants	372.1	4 943.3	5 315.4
Travel	1 409.5	1 839.4	3 248.9
Operating expenses	17 863.5	7 907.8	25 771.3
Furniture and equipment	2 885.7	3 050.3	5 916.0
Reimbursements/contributions	0.0	4 717.5	4 717.5
Development support services	975.5	(908.1)	67.4
Subtotal programme support / country offices	76 740.0	38 076.8	114 816.8
2. Headquarters			
Posts	19 278.4	7 304.8	26 583.2
Other staff costs	787.9	(24.8)	763.1
Consultants	6 687.3	803.4	7 390.7
Travel	2 799.8	2 588.4	5 388.2
Operating expenses	3 903.0	(504.4)	3 398.6
Furniture and equipment	350.7	(67.3)	283.4
Reimbursements/contributions	2 840.8	1 509.7	4 350.3
Subtotal programme support / headquarters	36 617.7	11 419.8	48 037.6
B. MANAGEMENT AND ADMINISTRATION			
Posts	4 287.5	8 626.2	12 923.7
Other staff cost	1 228.7	86.2	1 314.9
Consultants	1 333.8	(725.7)	607.8
Travel	501.2	(396.2)	105.0
Operating expenses	1 210.1	32.3	1 242.3
Furniture and equipment	16.8	70.8	87.4
Reimbursements/contributions	0.8	0.0	0.0
Subtotal management and administration	8 588.5	7 682.8	16 291.1
C. SUPPORT TO OPERATIONAL ACTIVITIES OF THE UNITED NATIONS			
Posts	8 339.5	(884.1)	7 455.3
Other staff cost	307.3	(160.8)	146.5
Consultants	782.8	1 363.0	2 145.8
Travel	382.7	249.9	632.6
Operating expenses	878.3	4 159.1	5 138.4
Furniture and equipment	164.9	111.2	276.1
Reimbursements/contributions	19.9	301.2	321.1
Subtotal support to operational activities of the United Nations	10 975.4	5 138.4	16 113.8
Subtotal: I - Other resources relating to programmes	132 921.7	62 327.4	195 249.1
II. OTHER RESOURCES RELATING TO REIMBURSEMENTS			
Posts	20 585.8	2 558.3	23 143.8
Other staff cost	239.5	384.8	624.3
Consultants	332.9	(252.7)	80.2
Travel	343.1	(335.3)	7.8
Operating expenses	4 092.1	(1 908.8)	2 183.3
Furniture and equipment	117.1	(94.3)	22.8
Reimbursements/contributions	0.5	9.6	10.1
Subtotal: II - Other resources relating to reimbursements	25 710.8	361.6	26 072.4
Grand total	158 632.4	62 689.1	221 321.5

Summary table V (a). UNCDF Proposed gross budget estimates by expenditure category within budget component, 2002-2003

(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2000 - 2001 APPROVED APPROPRIATION	VOLUME AMOUNT	%	COST	2002 - 2003 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	5 868.9	(48.2)	(0.8)	(624.1)	5 184.8
Other staff cost	103.7	0.0	0.0	5.5	109.2
Consultants	287.7	(80.0)	(20.2)	12.7	250.4
Travel	270.1	12.0	4.4	15.0	297.1
Operating expenses	742.1	170.0	22.9	48.5	960.6
Furniture and equipment	31.7	(3.0)	(9.5)	1.5	30.2
Reimbursements/contributions	387.9	(24.0)	(6.2)	19.4	383.3
Subtotal	7 690.1	46.8	0.6	(521.5)	7 215.5
B. MANAGEMENT AND ADMINISTRATION					
Posts	3 298.5	339.3	10.3	424.7	4 063.5
Other staff cost	81.7	0.0	0.0	3.3	85.0
Consultants	109.9	(109.9)	(100.0)	0.0	0.0
Travel	92.1	55.0	59.7	7.9	155.0
Operating expenses	399.8	280.0	70.3	33.5	683.3
Furniture and equipment	15.0	0.0	0.0	0.8	15.8
Reimbursements/contributions	1 955.8	(550.0)	(28.1)	74.8	1 480.6
Subtotal	5 903.8	(5.6)	(0.1)	544.9	6 443.1
Total					
Posts	9 156.4	291.1	3.2	(199.5)	9 248.0
Other staff cost	185.4	0.0	0.0	8.8	174.2
Consultants	407.8	(189.9)	(41.7)	12.7	250.4
Travel	362.2	67.0	18.5	22.9	452.1
Operating expenses	1 112.0	450.0	38.7	82.0	1 623.9
Furniture and equipment	46.7	(3.0)	(6.4)	2.3	46.0
Reimbursements/contributions	2 343.8	(574.0)	(24.5)	94.2	1 863.9
Total	13 594.0	41.2	0.3	23.3	13 658.5

Summary table V (b). UNCDF Estimated distribution of posts by source of funds, 2002-2003

	International Professional category and above									GS and Other Categ.	Grand Total
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.		
A. Programme Support											
2000-2001 Regular resources			6	4	2	1	1	14		8	22
2002-2003 Regular resources			4	6	2	1	1	14		6	20
B. Management and Administration											
2000-2001 Regular resources		1	1	2	3	1	1	9		5	14
2002-2003 Regular resources		1	1	2	4	1		9		9	18
2000-2001 Other resources								-			-
2002-2003 Other resources								-			-
C. Grand Total											
2000-2001 Regular resources	-	1	7	6	5	2	2	23	-	13	36
2000-2001 Other resources	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	7	6	5	2	2	23	-	13	36
2002-2003 Regular resources	-	1	5	8	6	2	1	23	-	15	38
2002-2003 Other resources	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	5	8	6	2	1	23	-	15	38

Summary table VI (a). UNIFEM Proposed gross budget estimates by expenditure category within budget component, 2002-2003
(thousands of United States dollars)

APPROPRIATION LINE/ EXPENDITURE CATEGORY	2000 - 2001 APPROVED APPROPRIATION	VOLUME AMOUNT	%	COST	2002 - 2003 ESTIMATES
I. OTHER RESOURCES RELATING TO PROGRAMMES					
A. PROGRAMME SUPPORT					
Posts	5 007.8	527.2	10.5	112.2	5 647.2
Other staff cost	90.0	0.0	0.0	4.8	94.7
Consultants	97.6	0.0	0.0	5.2	102.8
Travel	103.1	(16.0)	(15.5)	4.6	91.7
Operating expenses	769.6	0.0	0.0	40.9	810.6
Furniture and equipment	77.4	0.0	0.0	4.1	81.5
Reimbursements/contributions	0.0	0.0		0.0	0.0
Subtotal	6 145.5	511.2	8.3	171.8	6 828.5
B. MANAGEMENT AND ADMINISTRATION					
Posts	2 495.4	170.9	6.8	229.6	2 895.8
Other staff cost	89.9	0.0	0.0	4.8	94.7
Consultants	47.2	40.0	84.7	4.6	91.9
Travel	161.3	(100.0)	(62.0)	3.3	64.6
Operating expenses	537.8	120.0	22.3	35.0	692.8
Furniture and equipment	60.9	0.0	0.0	3.2	64.2
Reimbursements/contributions	2 074.0	(550.0)	(26.5)	81.1	1 605.0
Subtotal	5 466.6	(319.1)	(5.8)	361.5	5 509.0
Total					
Posts	7 503.2	698.1	9.3	341.7	8 543.0
Other staff cost	179.8	0.0	0.0	9.6	189.4
Consultants	144.9	40.0	27.6	9.8	184.7
Travel	264.5	(116.1)	(43.9)	7.9	156.3
Operating expenses	1 307.4	120.1	9.2	75.9	1 503.4
Furniture and equipment	138.3	0.0	0.0	7.4	145.7
Reimbursements/contributions	2 074.0	(550.0)	(26.5)	81.1	1 605.0
Total	11 612.1	192.1	1.7	533.4	12 337.5

Summary table VI (b). UNIFEM Estimated distribution of posts by source of funds, 2002-2003

	International Professional category and above										
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
A. Programme support											
2000-2001 Regular resources				7	6	1		14		7	21
2002-2003 Regular resources			1	8	5	1		15		8	23
B. Management and administration											
2000-2001 Regular resources		1	1		3	1		6		6	12
2002-2003 Regular resources		1	1		3	2		7		6	13
2000-2001 Other resources					1	3		4			4
2002-2003 Other resources					3	3		6		5	11
C. Grand Total											
2000-2001 Regular resources	-	1	1	7	9	2	-	20	-	13	33
2000-2001 Other resources	-	-	-	-	1	3	-	4	-	-	4
Total	-	1	1	7	10	5	-	24	-	13	37
2002-2003 Regular resources	-	1	2	8	8	3	-	22	-	14	36
2002-2003 Other resources	-	-	-	-	3	3	-	6	-	5	11
Total	-	1	2	8	11	6	-	28	-	19	47

ANNEXES

Annex I

TERMINOLOGY

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line - Definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering programme support and management and administration of the organization.

Cost (increase/decrease) - ACC definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Gross budget

For voluntarily funded organizations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, i.e., inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Management and administration of organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Net budget

For voluntarily funded organizations, the budget which reflects estimates of income to be expected which offsets, in whole or in part, the related gross budget estimates.

Other resources

Resources of a voluntarily funded organization, other than Regular resources, that are received for a specific programme purpose (Other resources relating to programmes) and for the provision of specific services to third parties (Other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than Regular resources, that are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not relating to carrying out programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. This will typically include units that provide backstopping of programmes on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Various cost adjustments

Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase/decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex II

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget during the first months of the second year of the current biennium. A description of each sequential step follows.

I. VOLUME ADJUSTMENTS

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

II. VARIOUS COST ADJUSTMENTS

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowance, education grant) and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

III. CURRENCY ADJUSTMENTS

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

IV. INFLATION ADJUSTMENT

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency; as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;
(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and
(iii) The inflation projection for the first year of the proposed biennium.

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) - (iii) as in (a) above; and
(iv) the inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The estimated movement of post adjustment for international Professional staff;

(b) International travel and common staff costs for international Professional staff (this is the same for all locations);

(c) Salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and

(d) All other costs, such as operating expenses.

7. Within this general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.